



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%.

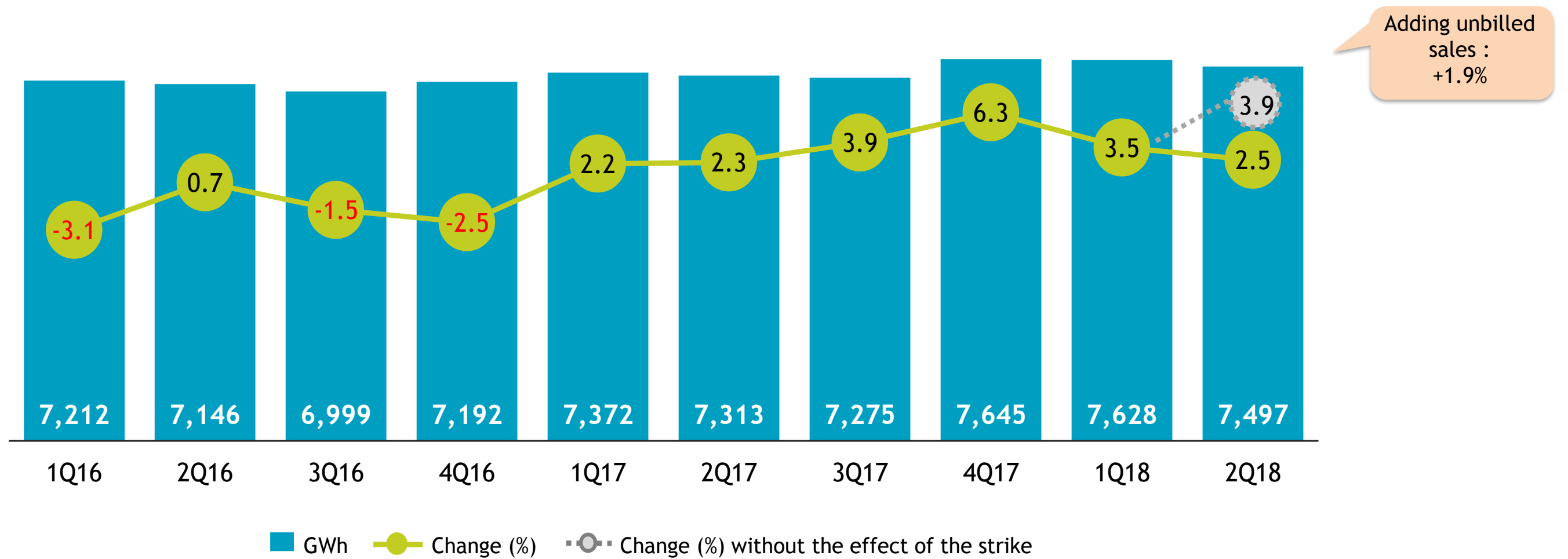
TRANSMISSION

- ▶ 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

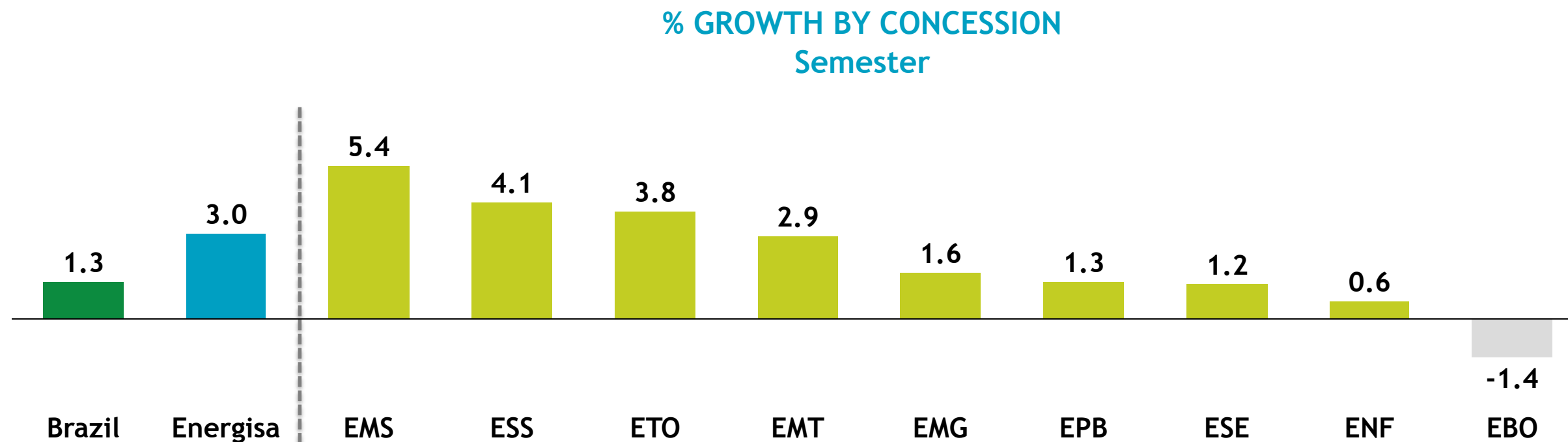
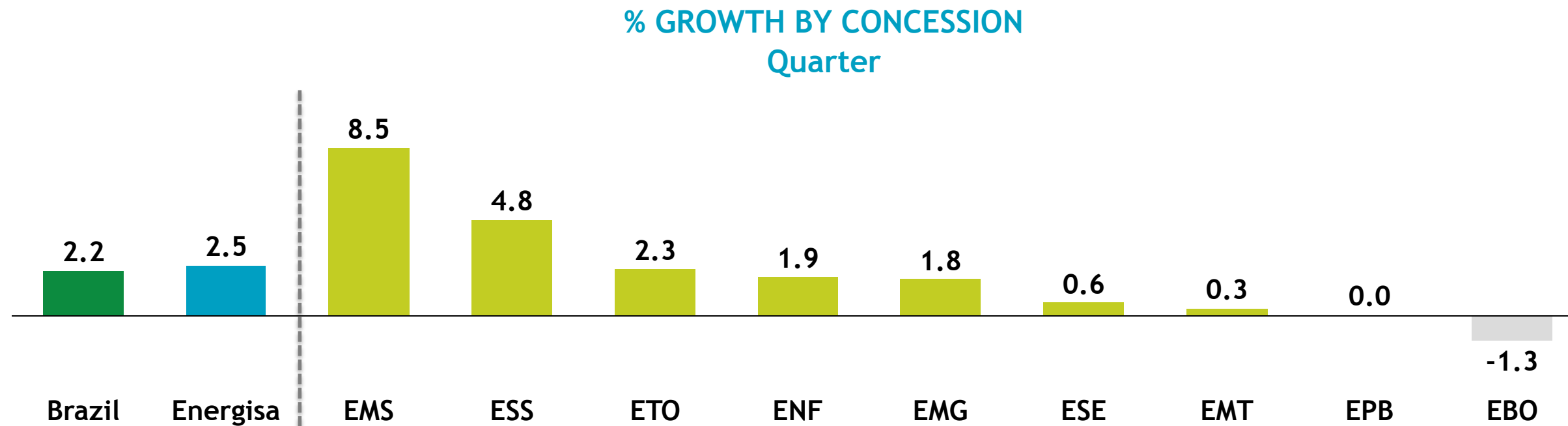
Growth of 2.5% in the quarter despite the truckers strike

Consumption Evolution (Captive + Free)



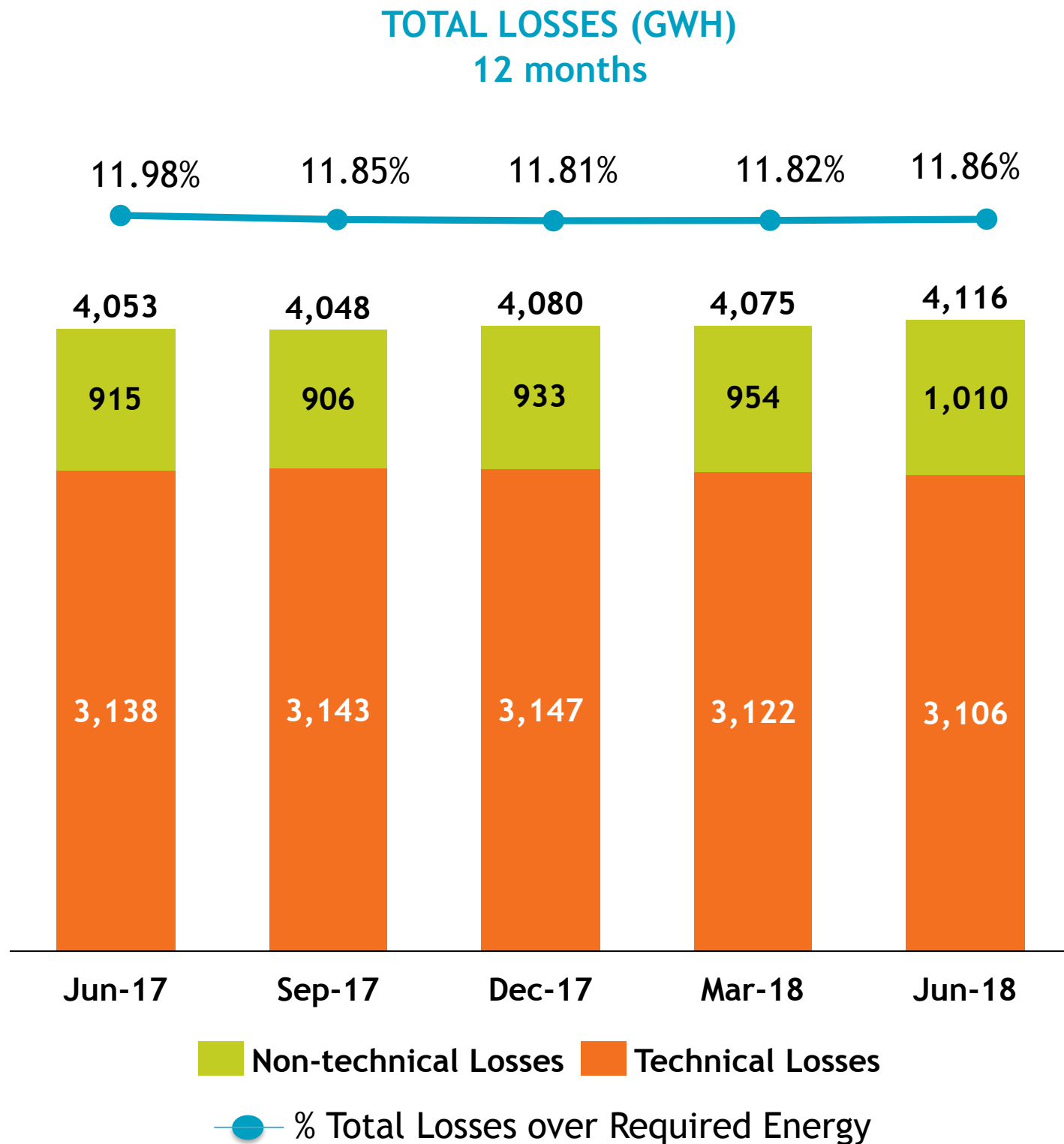
Energy Market

Energisa grows 1.7 p.p. above the national average



Total Losses

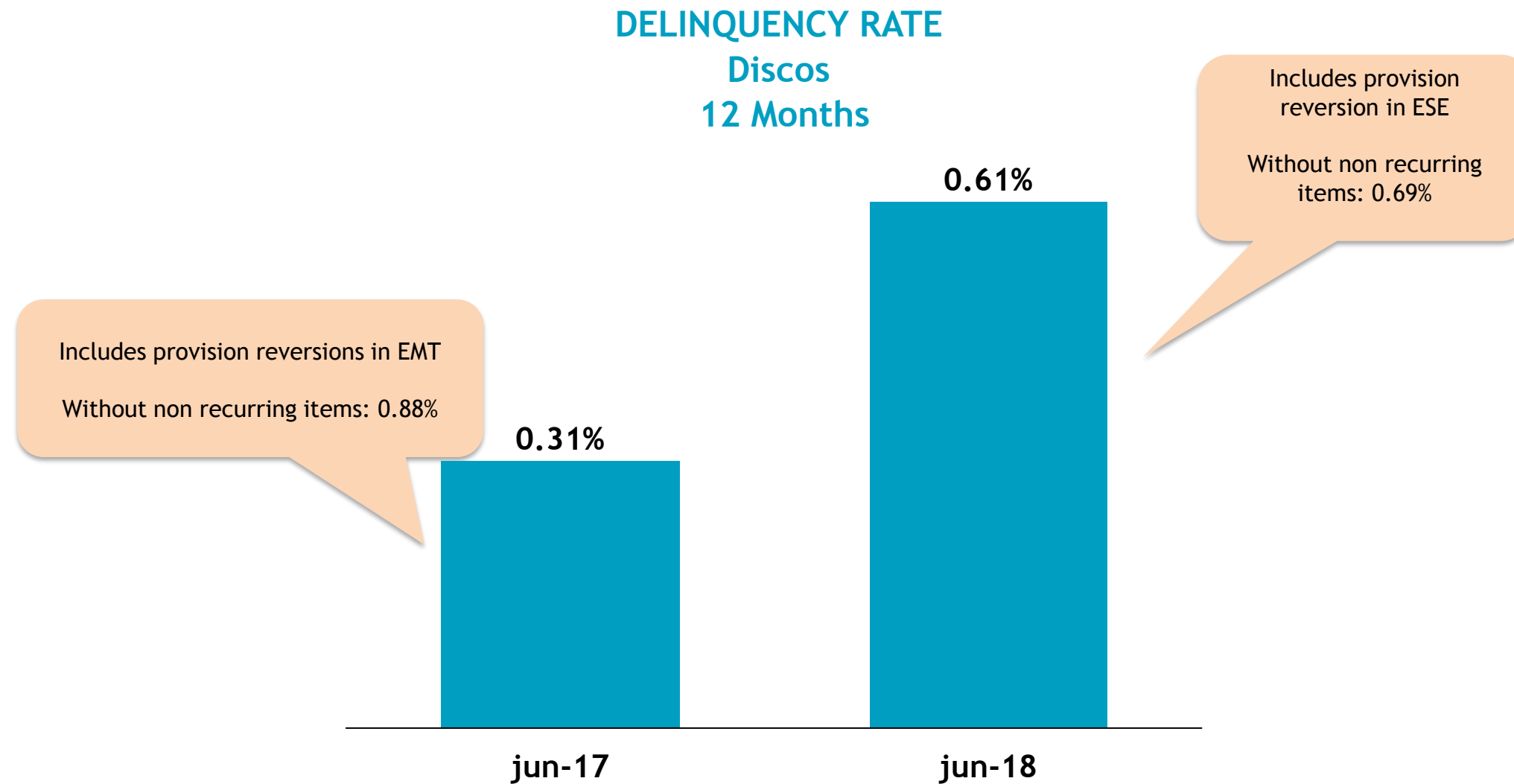
EMS reaches 13.05%, 1.32 p.p. below the regulatory limit



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 ●
Energisa	4,075	4,116	11.86	12.09 ●

Delinquency

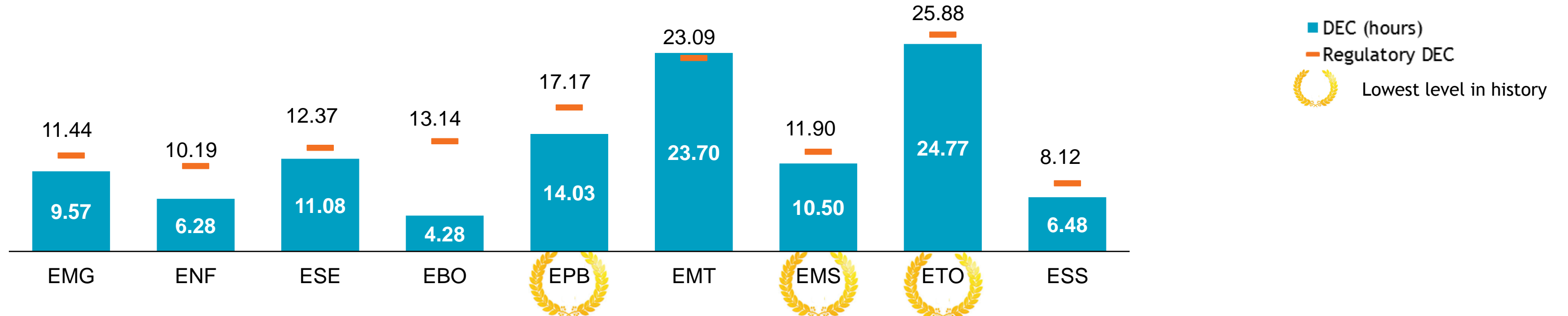
Delinquency rate below 1.0% for the sixth consecutive quarter



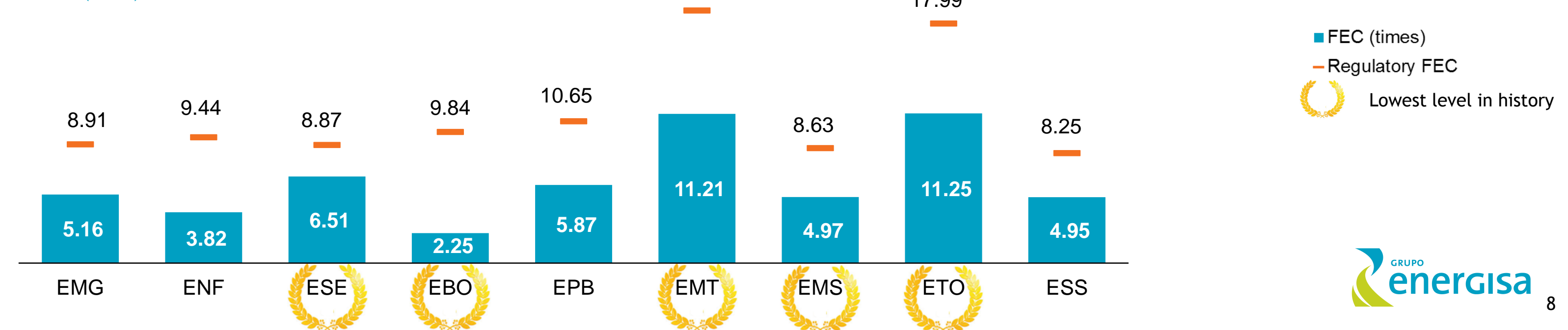
Service Quality Indicators

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

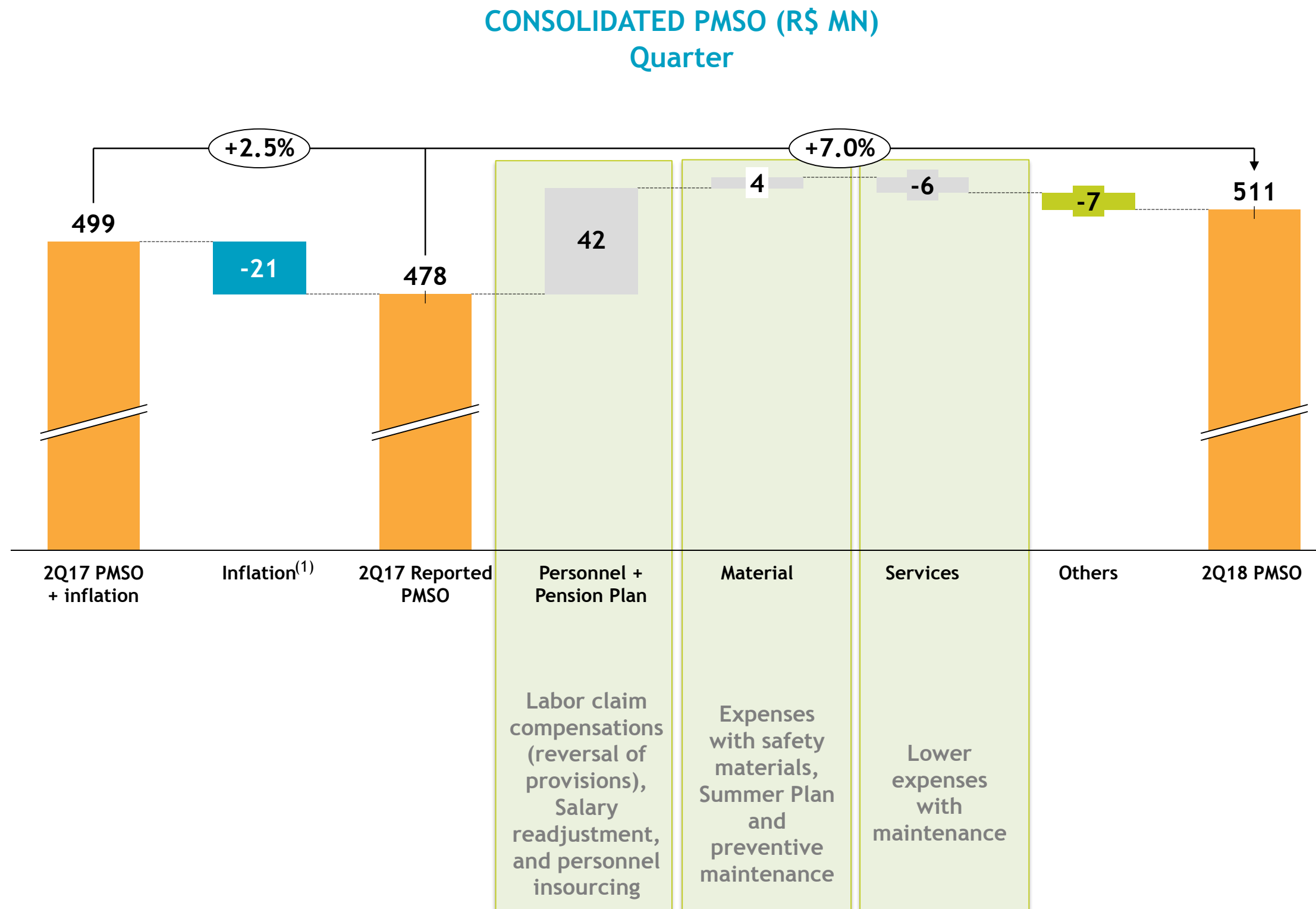


ENF: Best Company in Brazil



EBO: Best Company in Brazil and Operating Management

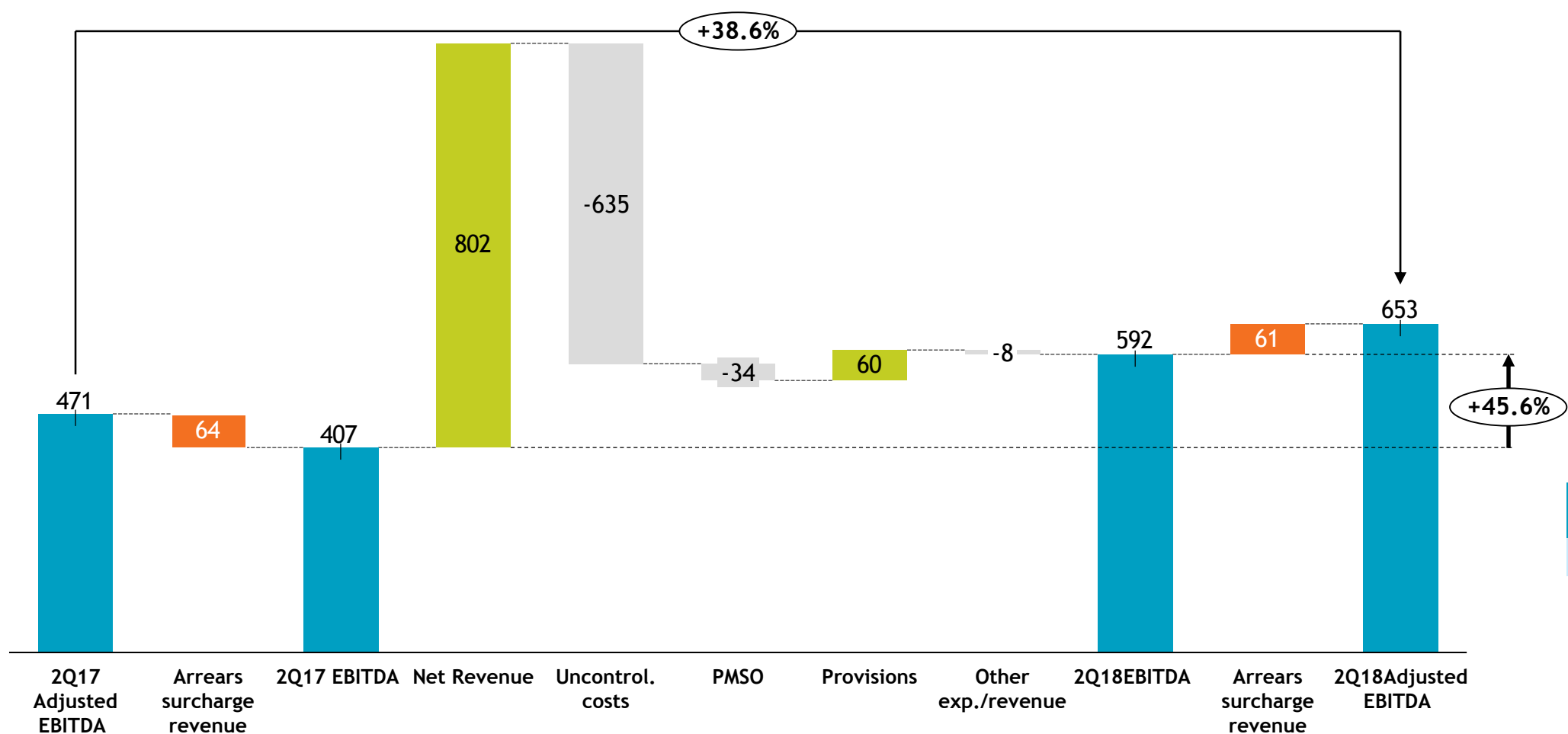
PMSO (Personnel, Material, Services and Other)



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

Consolidated EBITDA

EBITDA AND ADJUSTED EBITDA (R\$ MN)
Quarter



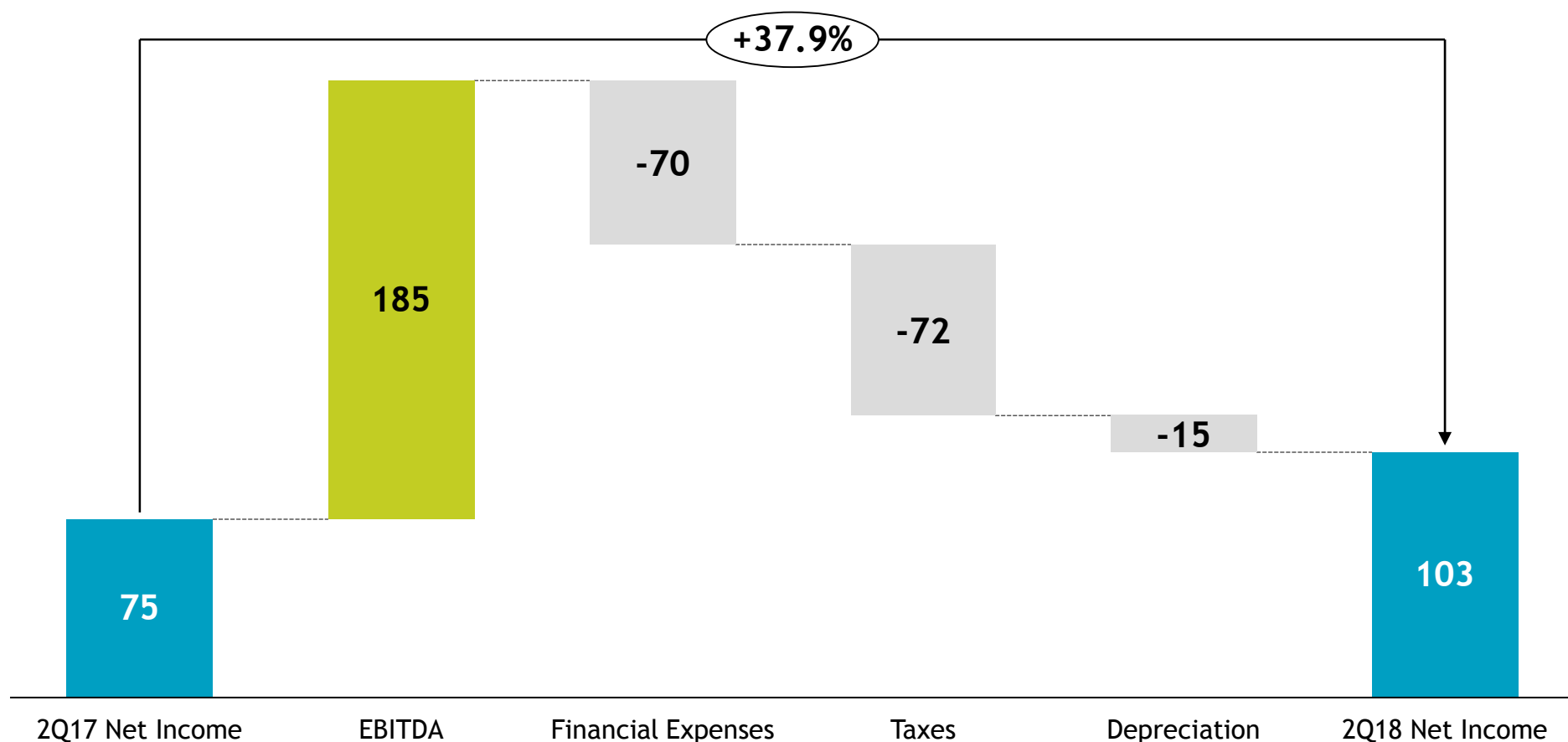
EBITDA
EXCLUDING NON-RECURRING EFFECTS
(R\$ MN)

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(R\$ MN) Quarter

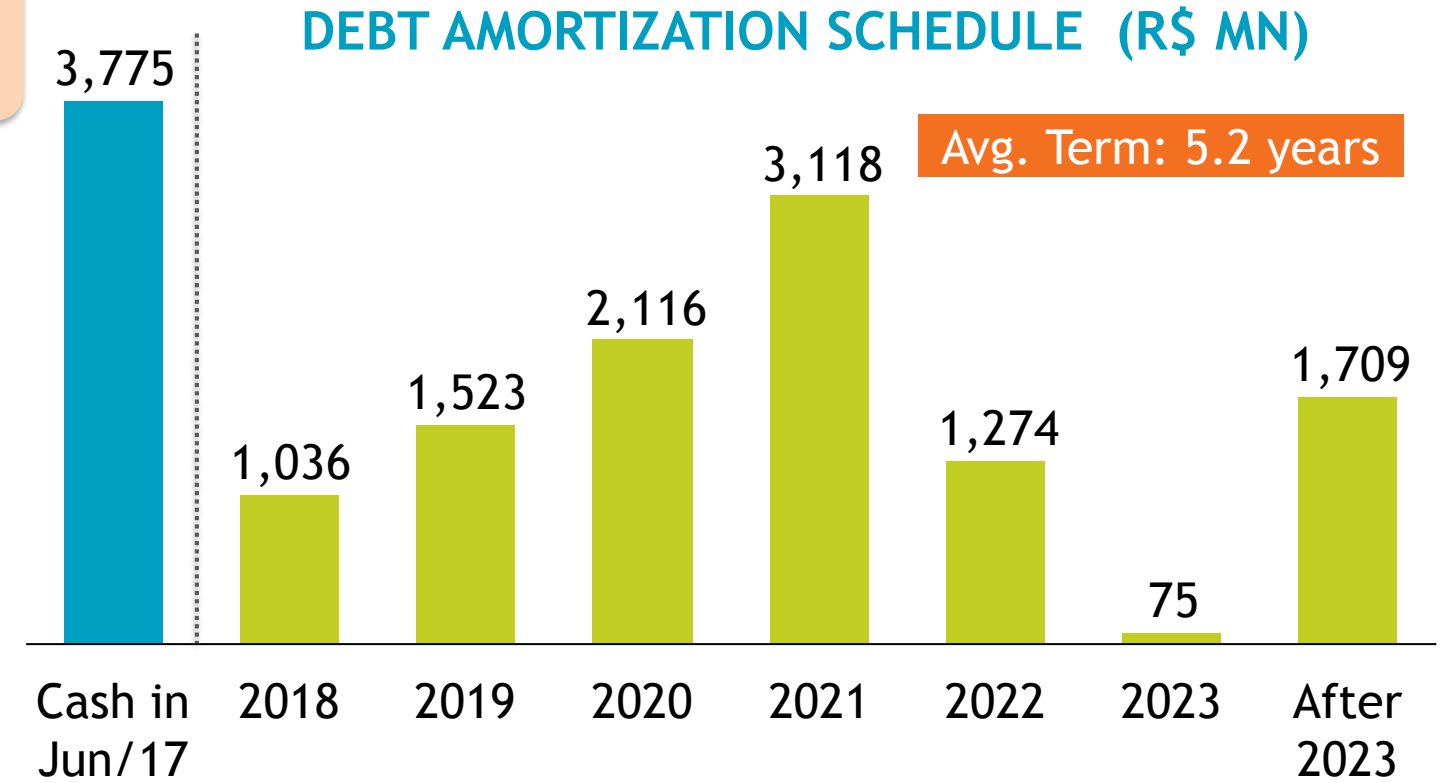
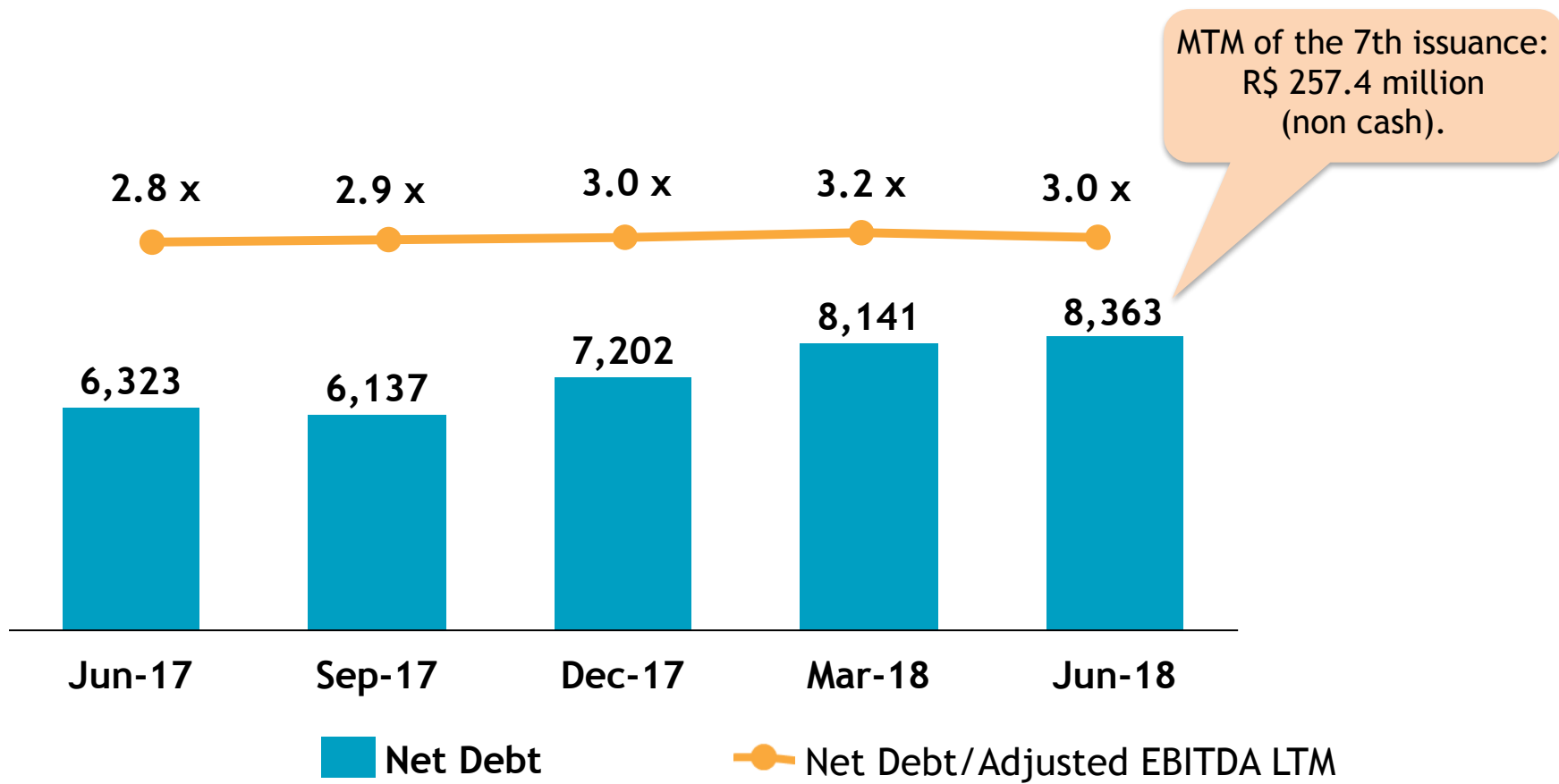


NET INCOME EXCLUDING NON-RECURRING EFFECTS (R\$ MN)

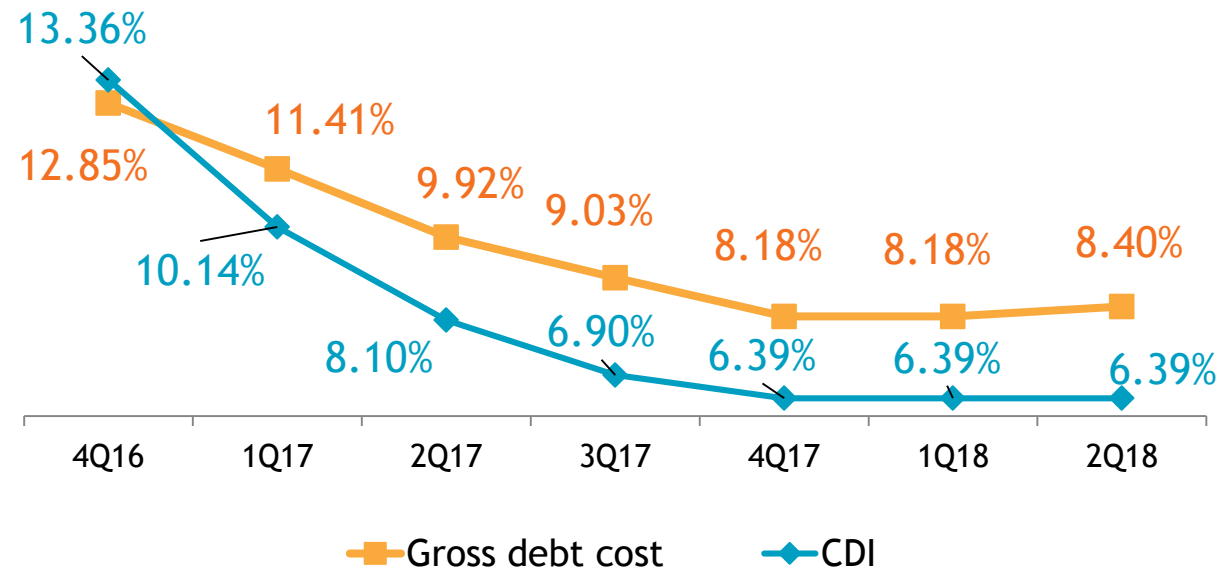
Description (R\$ thousands)	2Q18	2Q17	Var. %
(=) Net Income	103.4	75.0	+ 37.9
(+) Compensatory costs	5.1	5.0	+ 1.9
(+) Energy surplus (2016 and 2017)	-	-3.3	-
(-) Reversal of the provision for the financial asset of the concession (EMT, EMS and ESE)	7.7	-	-
(=) Net Income (without non recurring effects)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

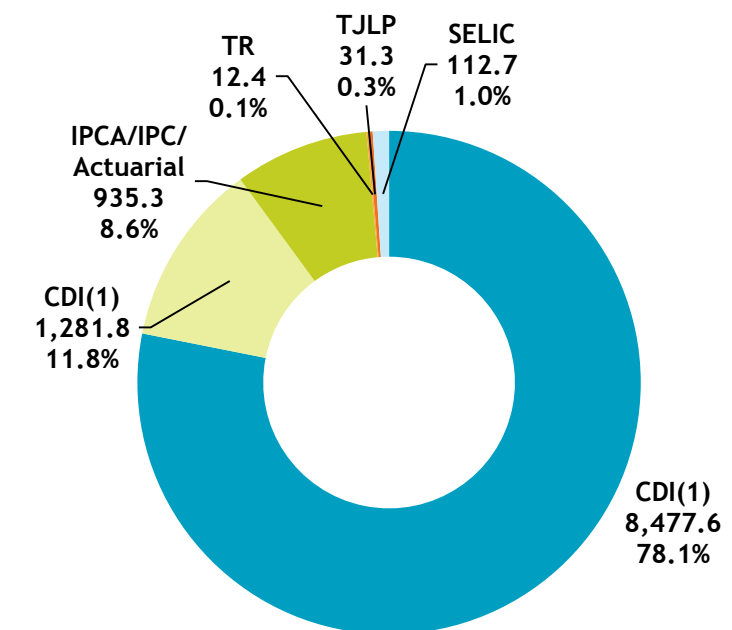
Indebtedness



GROSS DEBT COST

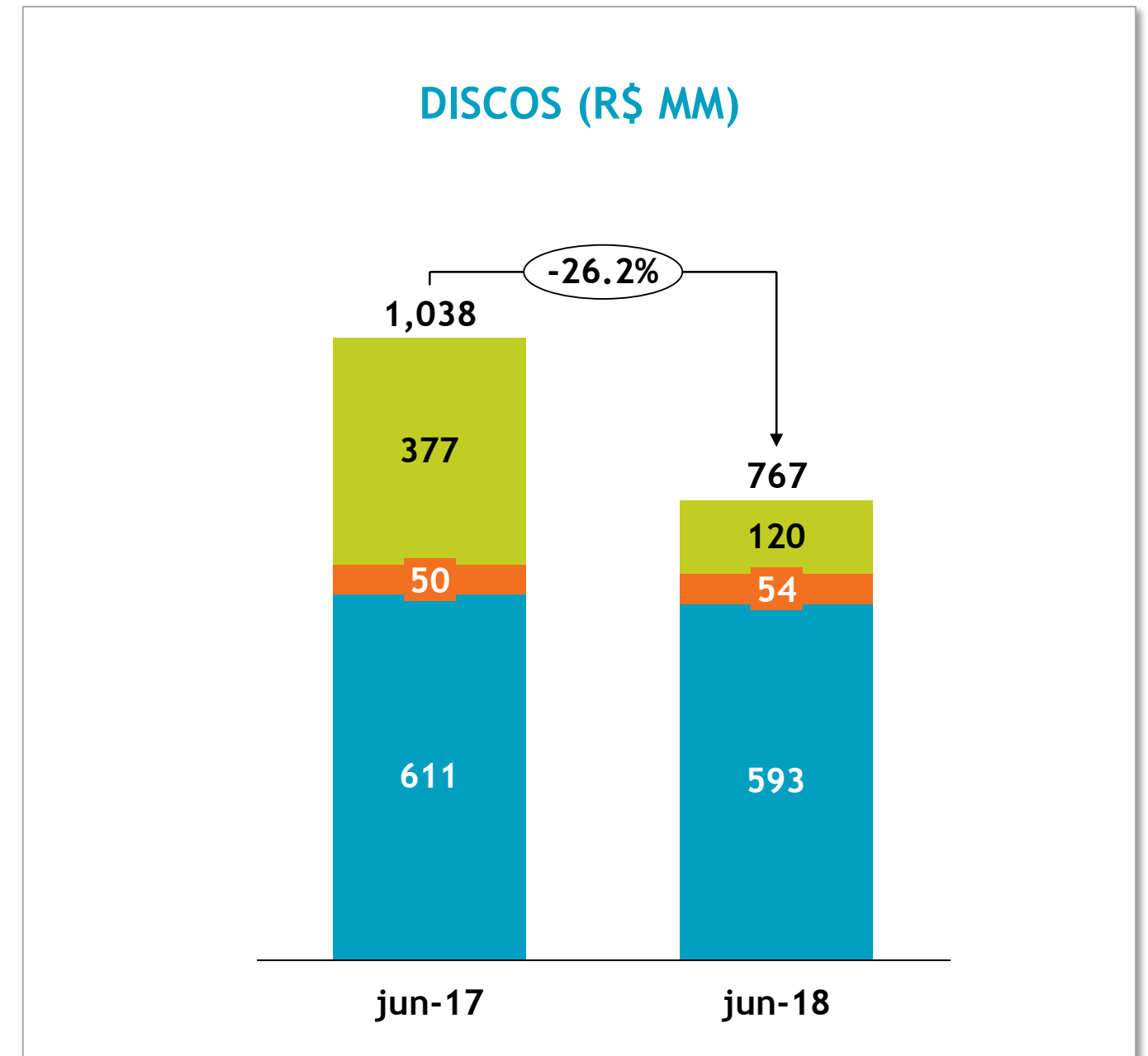
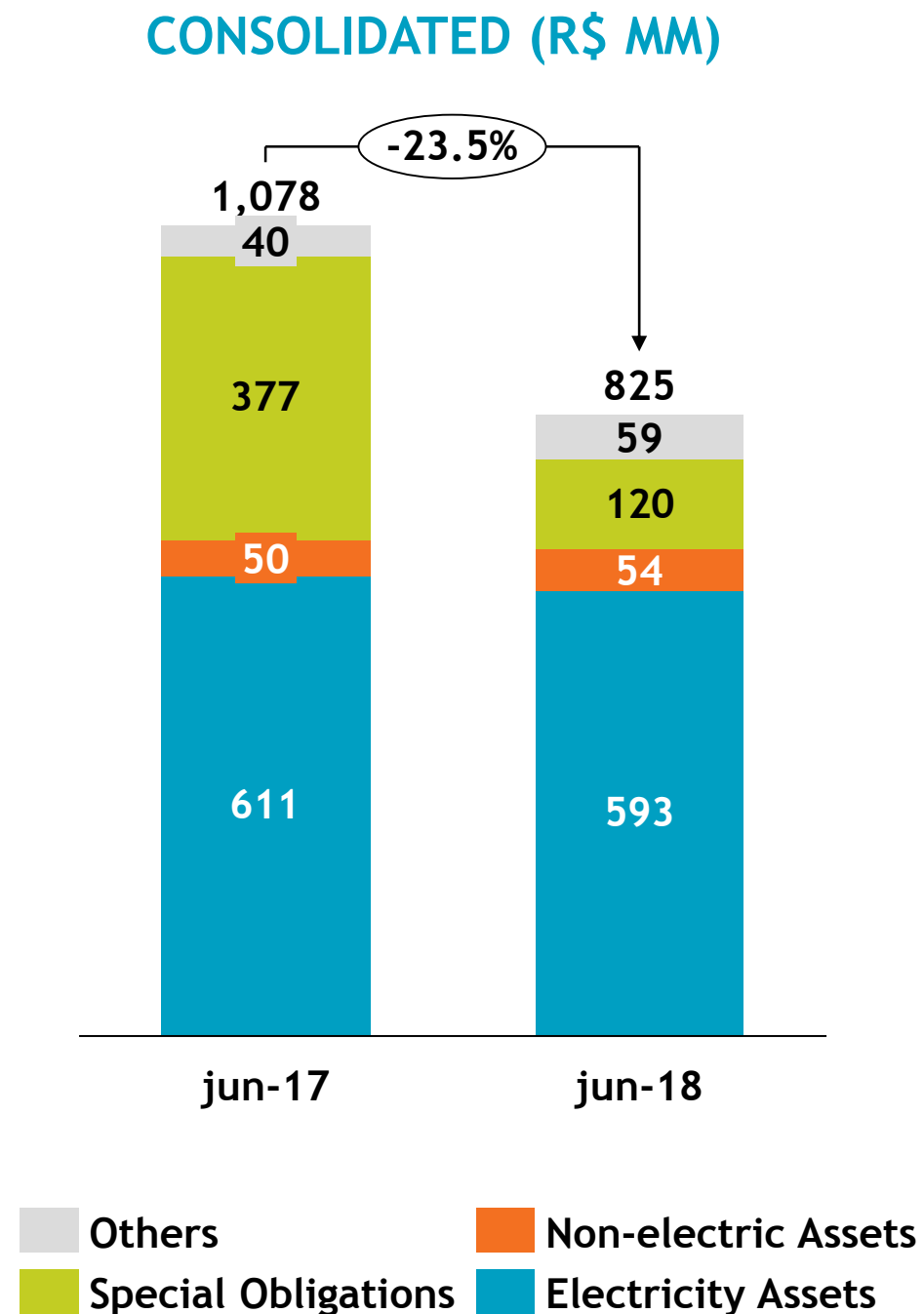


GROSS DEBT BY INDEX (R\$ / %)



Investments

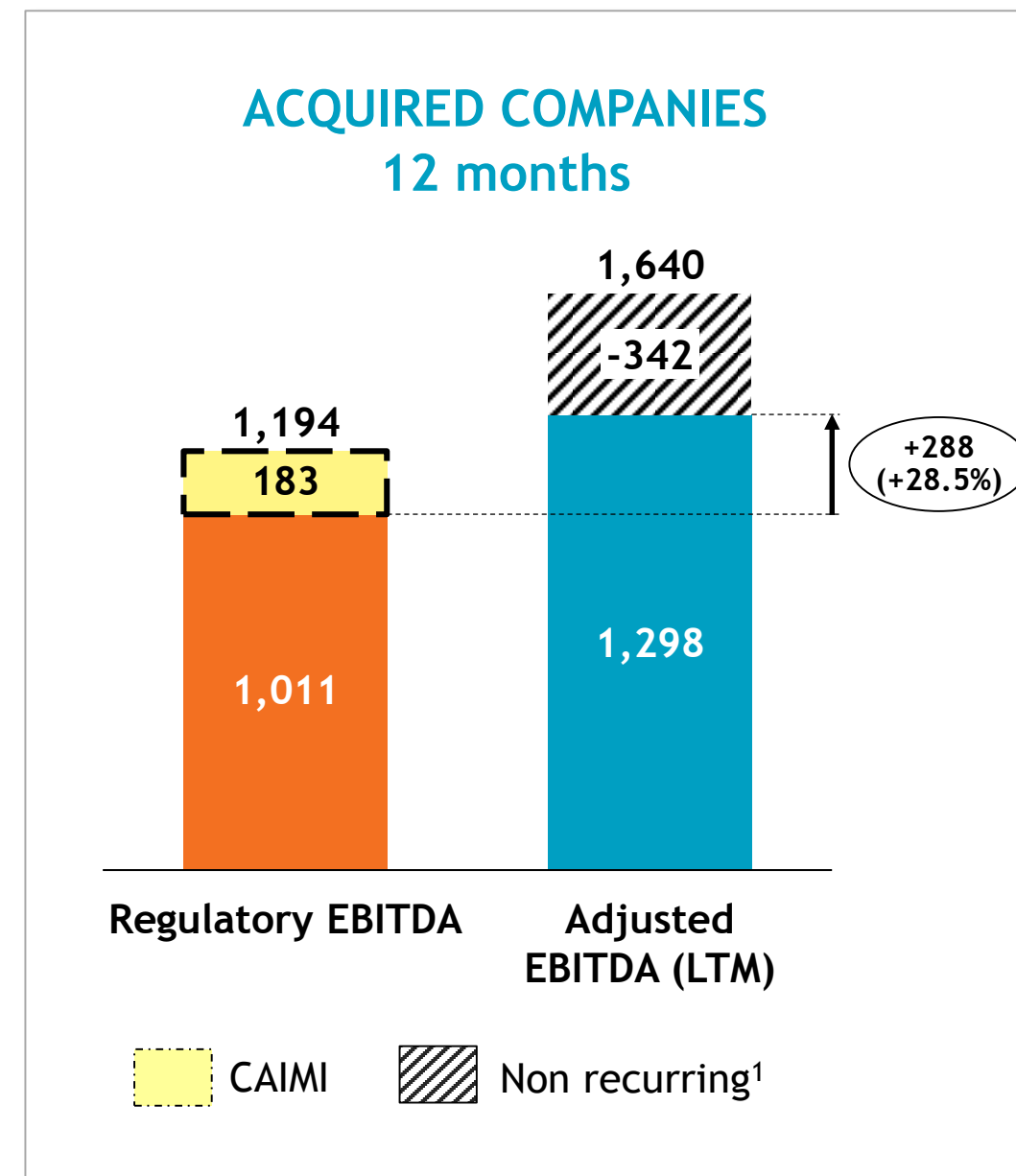
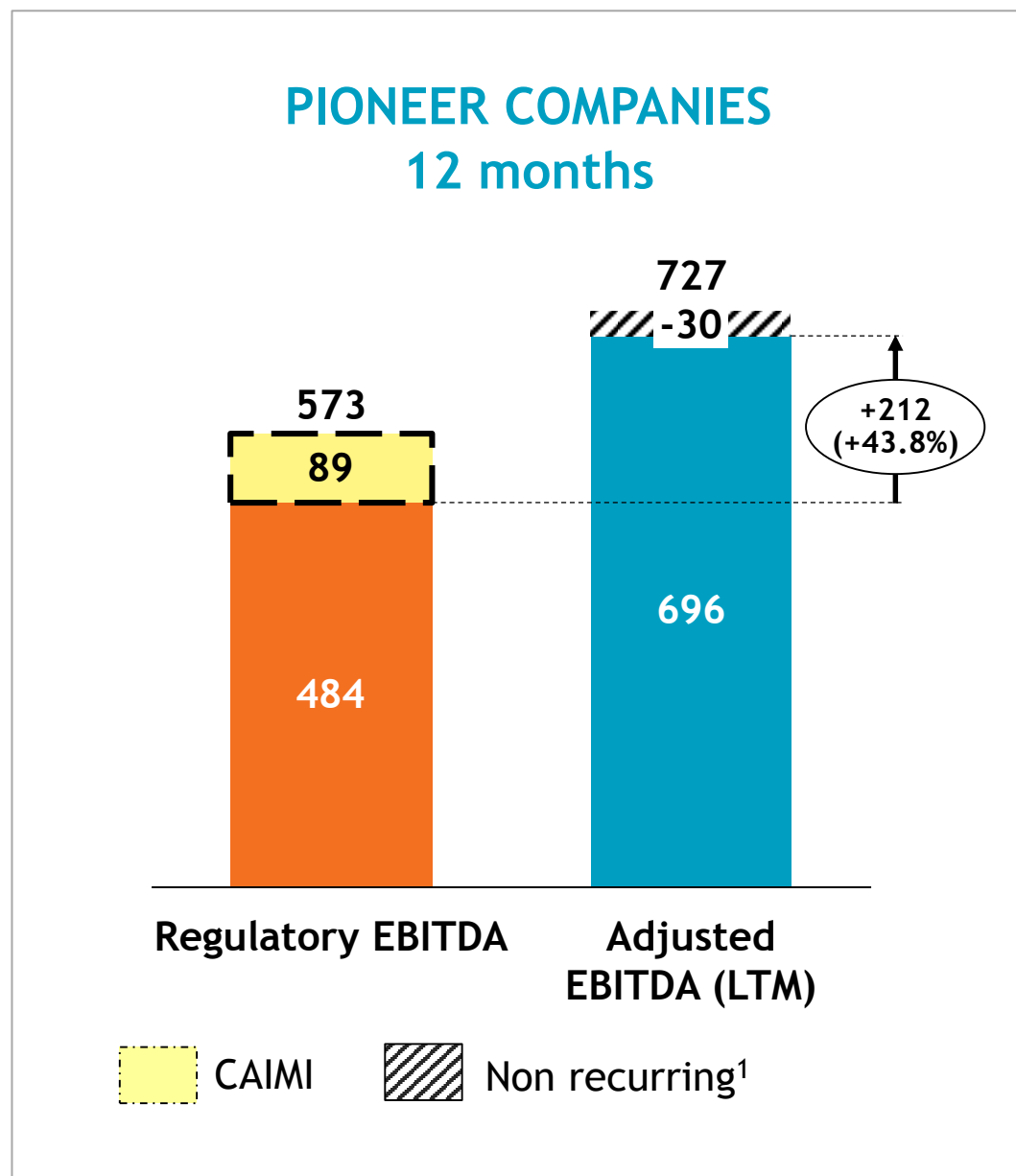
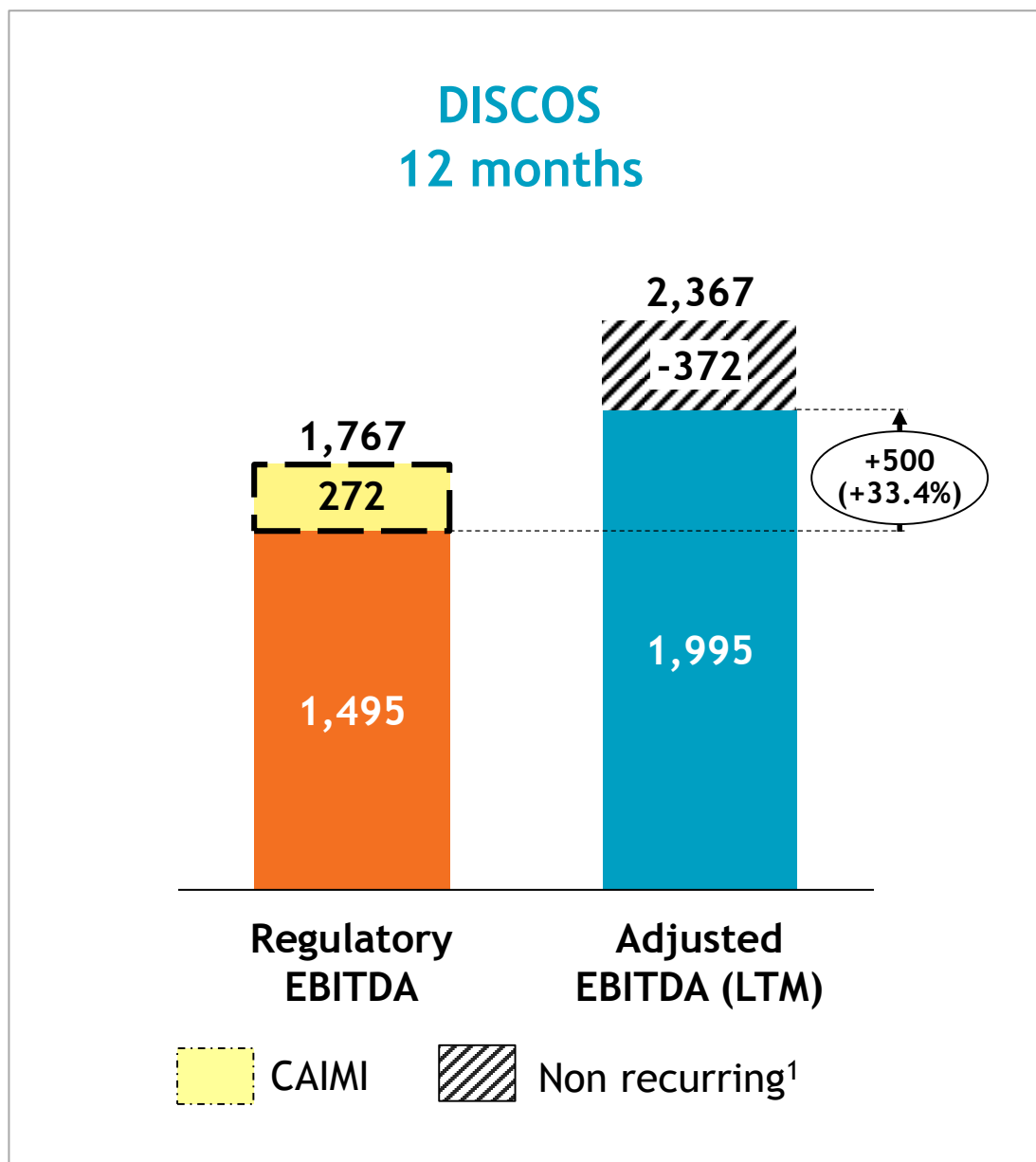
Investments in the distribution companies dropped 26.2% after the conclusion of the revision cycles.



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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