



## 3Q18 Earnings Presentation

November • 09 • 2018

# Disclaimer

This presentation may contain forward-looking statements, which are subject to risks and uncertainties, as they were based on the expectations of Company's management and on available information. These prospects include statements concerning the Company's current intentions or expectations for our clients.

Forward-looking statements refer to future events which may or may not occur.

Our future financial situation, operating results, market share and competitive positioning may differ substantially from those expressed or suggested by said forward-looking statements. Many factors and values that can establish these results are outside Company's control or expectation. The reader/investor is prevented not to completely rely on the information above.

The words "believe", "can", "predict", "estimate", "continue", "anticipate", "intend", "forecast", "possible" and similar words, are intended to identify estimates. Such estimates refer only to the date in which they were expressed, therefore the Company has no obligation to update said statements.

This presentation does not consist of offering, invitation or request of subscription offer or purchase of any marketable securities. And, this statement or any other information herein, does not consist of a contract base or commitment of any kind.

# Highlights

## OPERATIONAL

- ▶ Total electricity consumption (captive + free market) grows 2.5% in the quarter, and 2.8% in the year, above the national average (0.8% and 1.1%, respectively);
- ▶ Total consolidated losses (LTM) reached 11.60% of the required energy, 0.33 p.p. below the regulatory level.
- ▶ EMT reaches the DEC regulatory level.

## FINANCIAL

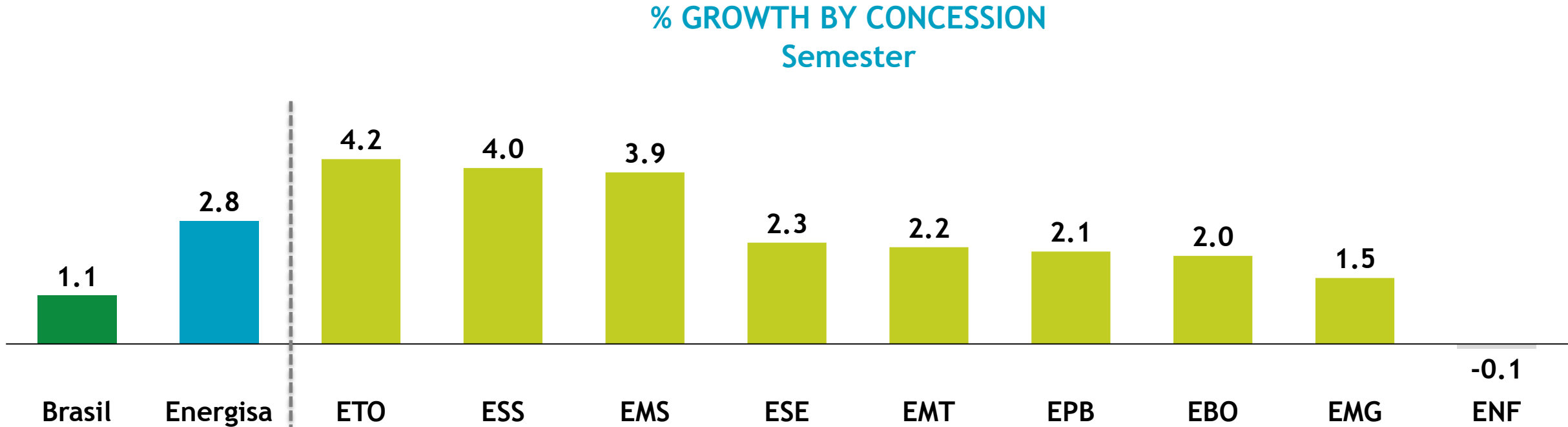
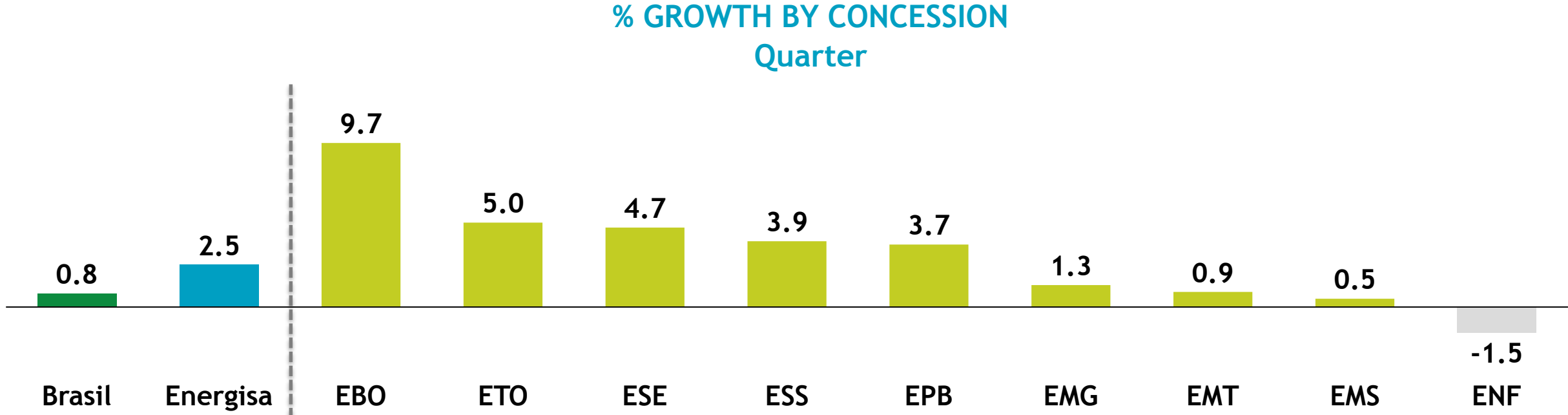
- ▶ Adjusted EBITDA reached R\$ 764.1 million in the quarter, and R\$ 2,200.3 million in 9M18, increasing 47.5% and 40.5% respectively;
- ▶ Net income of R\$ 259.4 million in the quarter, and of R\$ 505.1 million in 9M18, growing 93.4% and 48.6% respectively;
- ▶ Net debt amounts to R\$ 8,656.8 million, and net debt over adjusted EBITDA ratio of 2.9x;
- ▶ Investments reached R\$ 1,276.4 million in the year, a drop of 17.4%.

## SUBSEQUENT EVENTS

- ▶ Issuance of debentures in the distribution companies at a cost of 103.7% of CDI;
- ▶ Completion of the acquisition process for Ceron on October 30, and expectation to conclude Eletroacre's acquisition in December;
- ▶ Private capital increase of R\$ 579 million;
- ▶ Covenants negotiation in process.

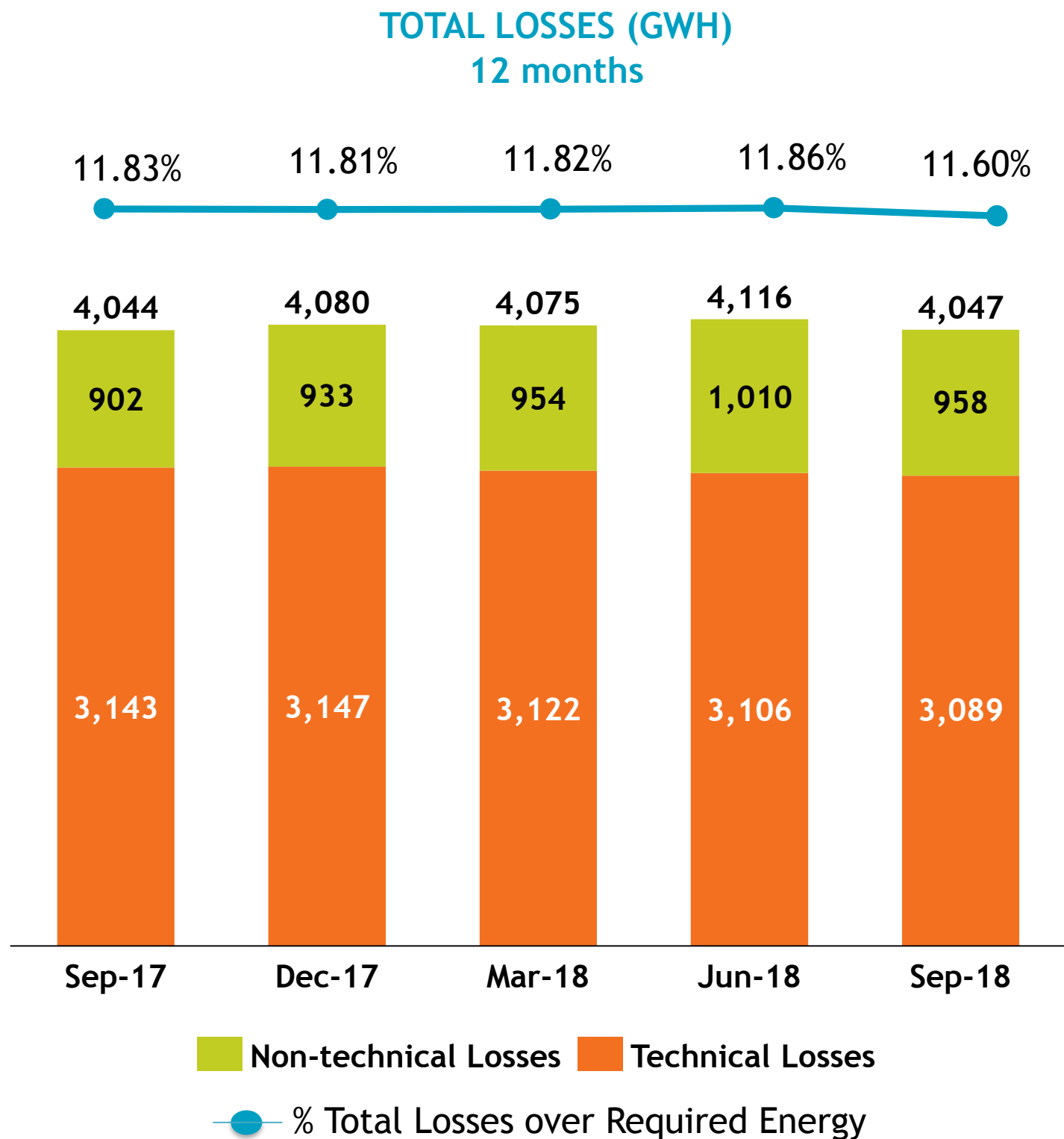
# Energy Market

Energisa maintains growth of 1.7 p.p. above the national average



# Total Losses

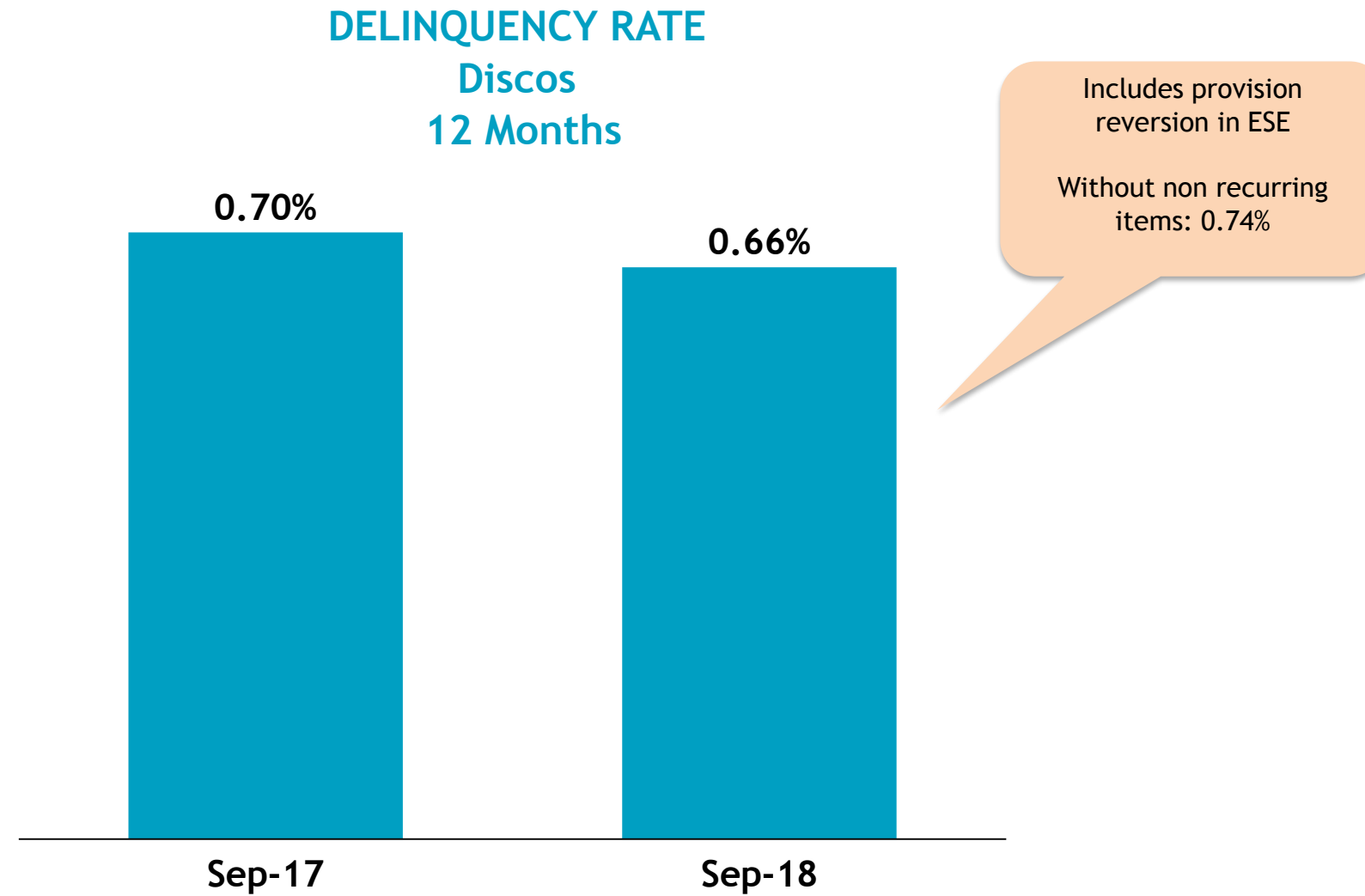
EMS and ETO reach 12.35% and 12.62%, their best performances since the acquisition



Disco	Jun-18	Sep-18		Aneel
	GWh	GWh	%	%
EMG	185	182	10.35	9.63
ENF	15	15	3.93	5.84
ESE	333	339	9.62	10.42
EBO	50	43	5.95	7.41
EPB	629	653	12.79	12.71
EMT	1,477	1,451	14.39	13.70
EMS	798	748	12.35	13.90
ETO	339	336	12.62	13.94
ESS	289	280	6.08	6.72
<b>Energisa</b>	<b>4,116</b>	<b>4,047</b>	<b>11.60</b>	<b>11.93</b>

# Delinquency

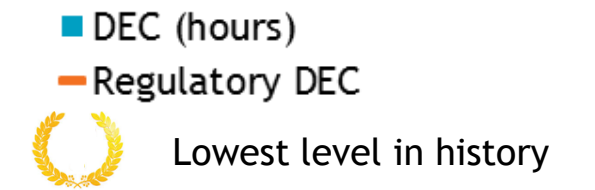
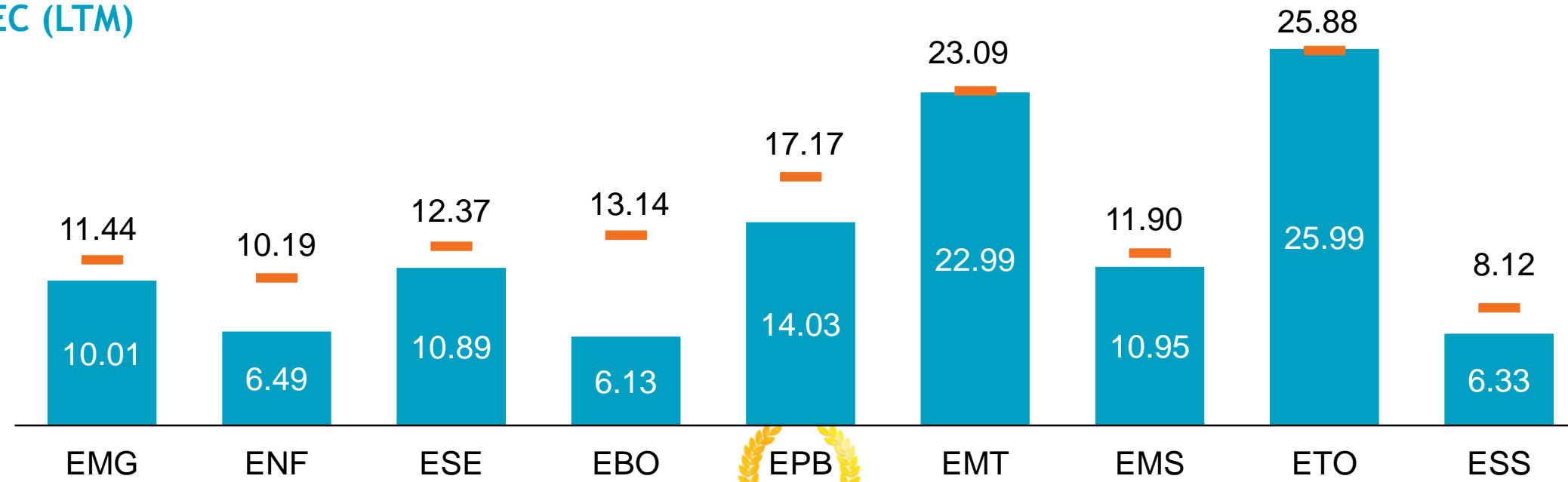
Delinquency rate below 1.0% for the seventh consecutive quarter



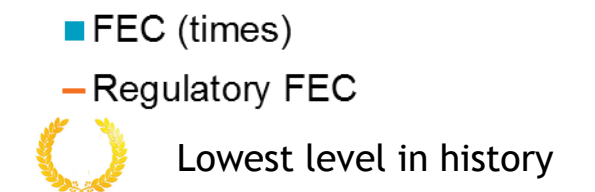
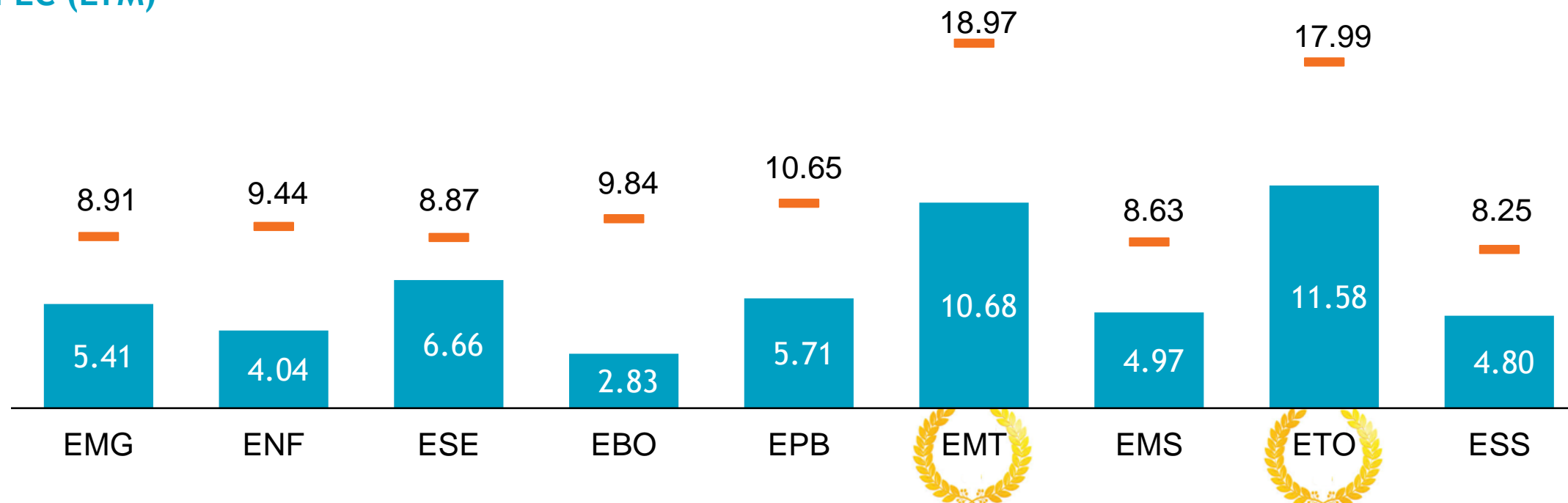
# Service Quality Indicators

## EMT reaches the DEC regulatory target

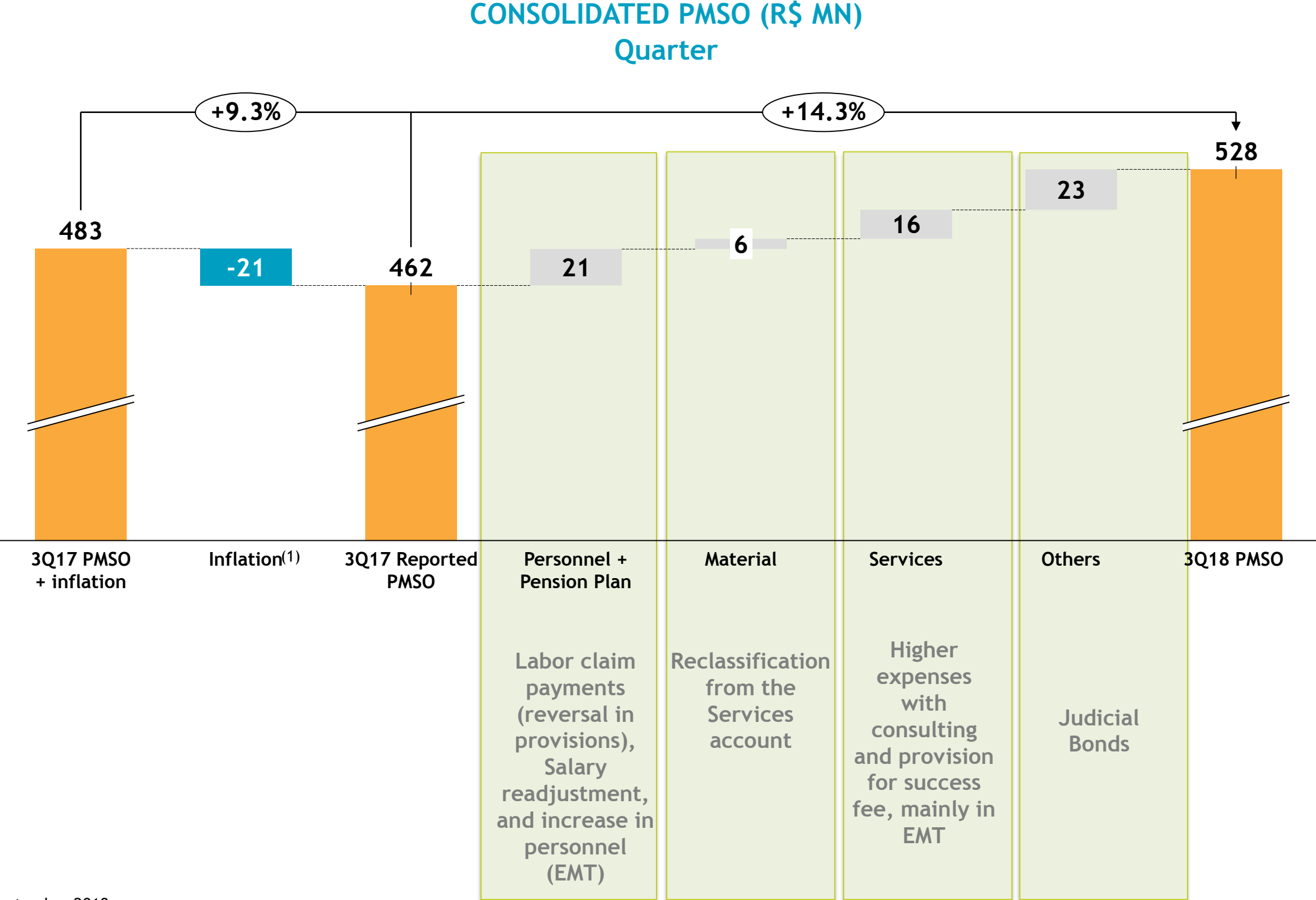
### DEC (LTM)



### FEC (LTM)



# PMSO (Personnel, Material, Services and Other)

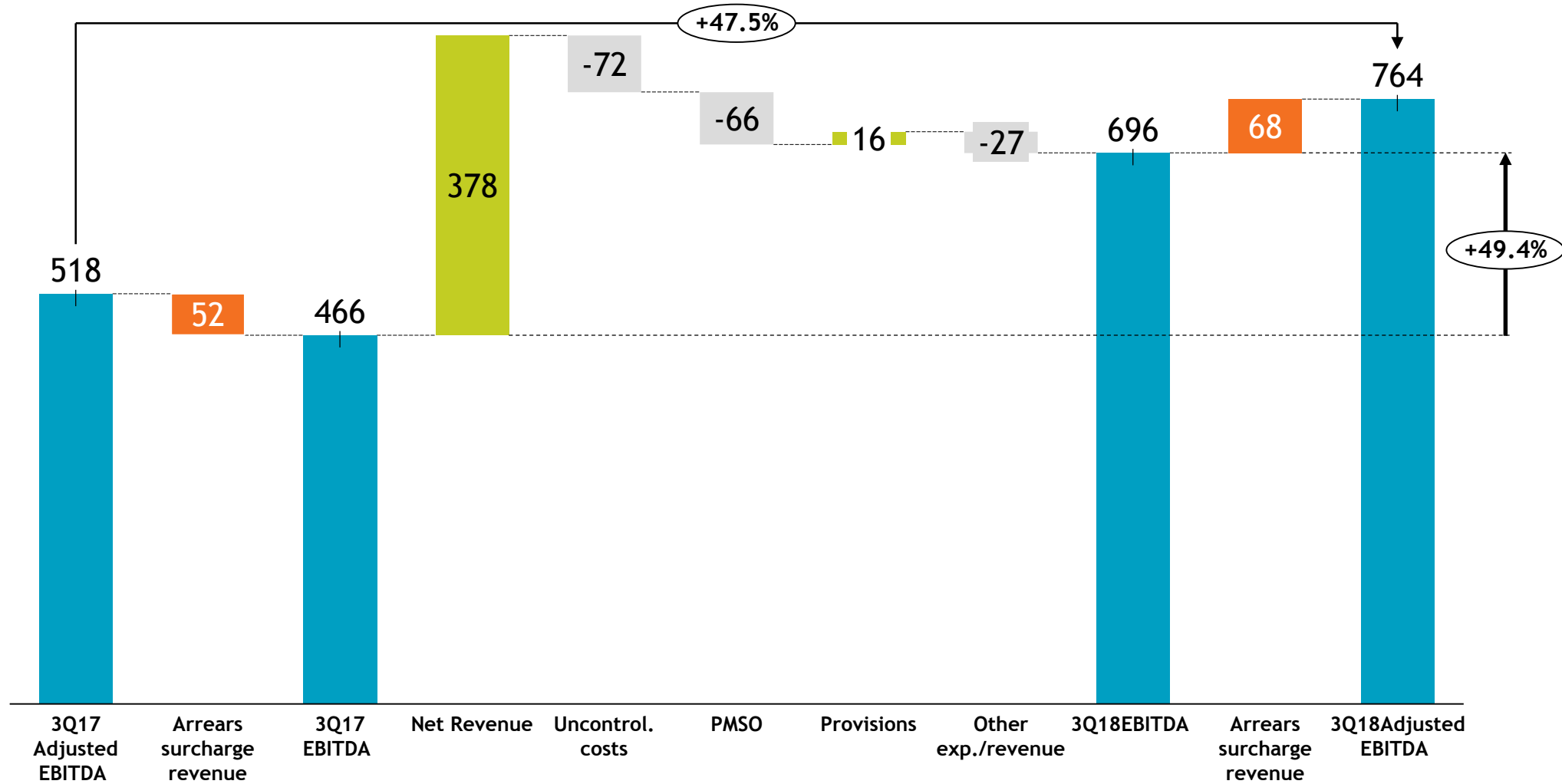


(1) Inflation (IPCA) for the 12 months ended September 2018.



# Consolidated EBITDA

EBITDA AND ADJUSTED EBITDA (R\$ MN)  
Quarter



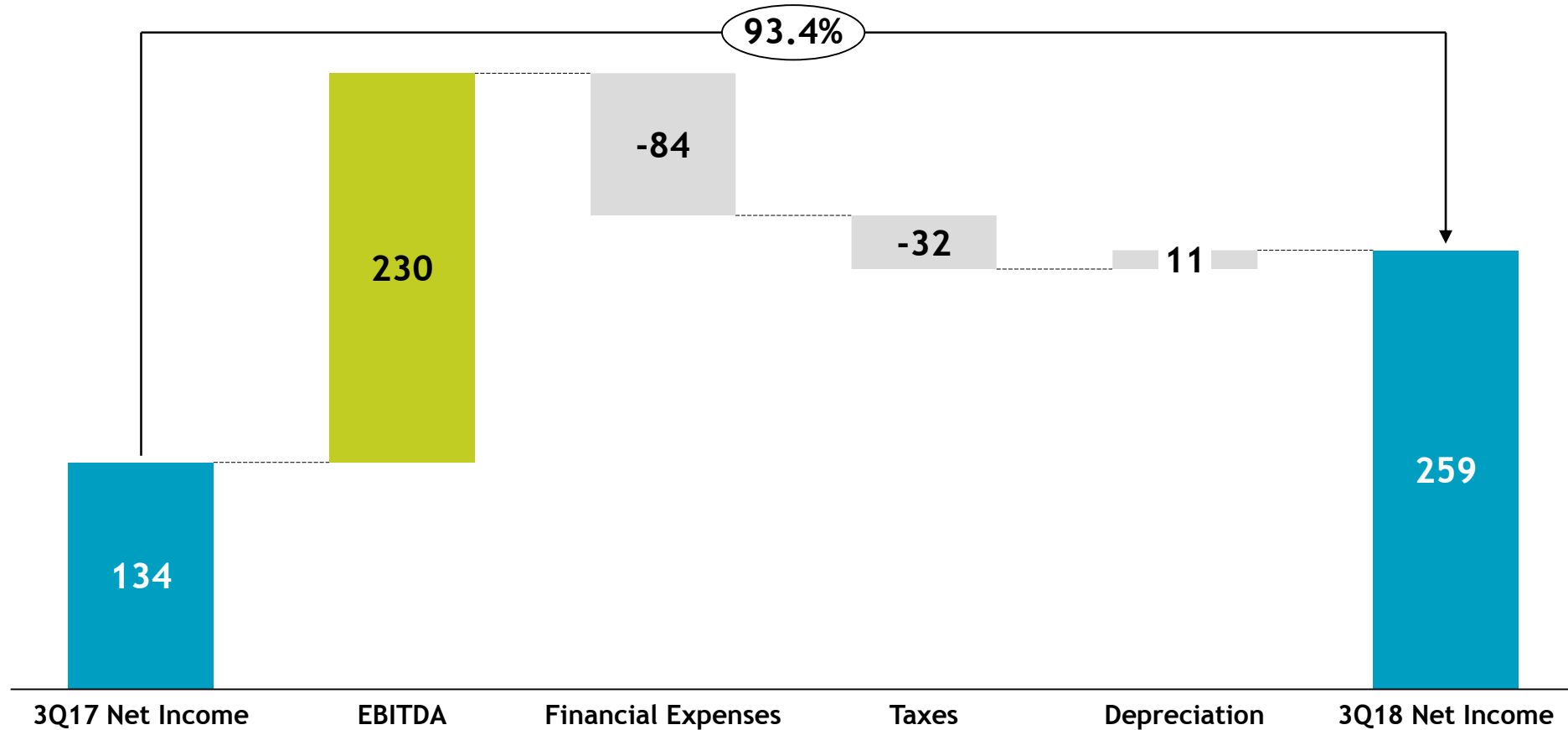
EBITDA  
EXCLUDING NON-RECURRING EFFECTS  
(R\$ MN)

Description (R\$ million)	3Q18	3Q17	Change %
(=) EBITDA	695.8	465.8	+ 49.4
(+) Rescission costs	5.2	8.1	- 35.8
(-) VNR Financial Restatement	37.3	10.7	+ 248.6
(+) Provision for success fees (EMT)	17.1	-	-
(=) EBITDA (without non recurring effects)	680.8	463.2	+ 47.0

Description (R\$ million)	9M18	9M17	Change %
(=) EBITDA	2,010.4	1,403.6	+ 43.2
(+) Rescission costs	17.6	22.7	- 22.5
(+) Overcontracting (2016 and 2017)	-	-4.3	-
(-) Re-recording of CVA (EMT, EMS and ESE)	44.8	-	-
(-) VNR Financial Restatement	276.1	32.1	+ 760.1
(-) Sale of aircraft (EMT)	-	21.9	-
(+) Provision for success fees (EMT)	17.1	-	-
(=) EBITDA (without noncurrent effects)	1,724.2	1,368.0	+ 26.0

# Consolidated Net Income

## NET INCOME (R\$ MN) Quarter

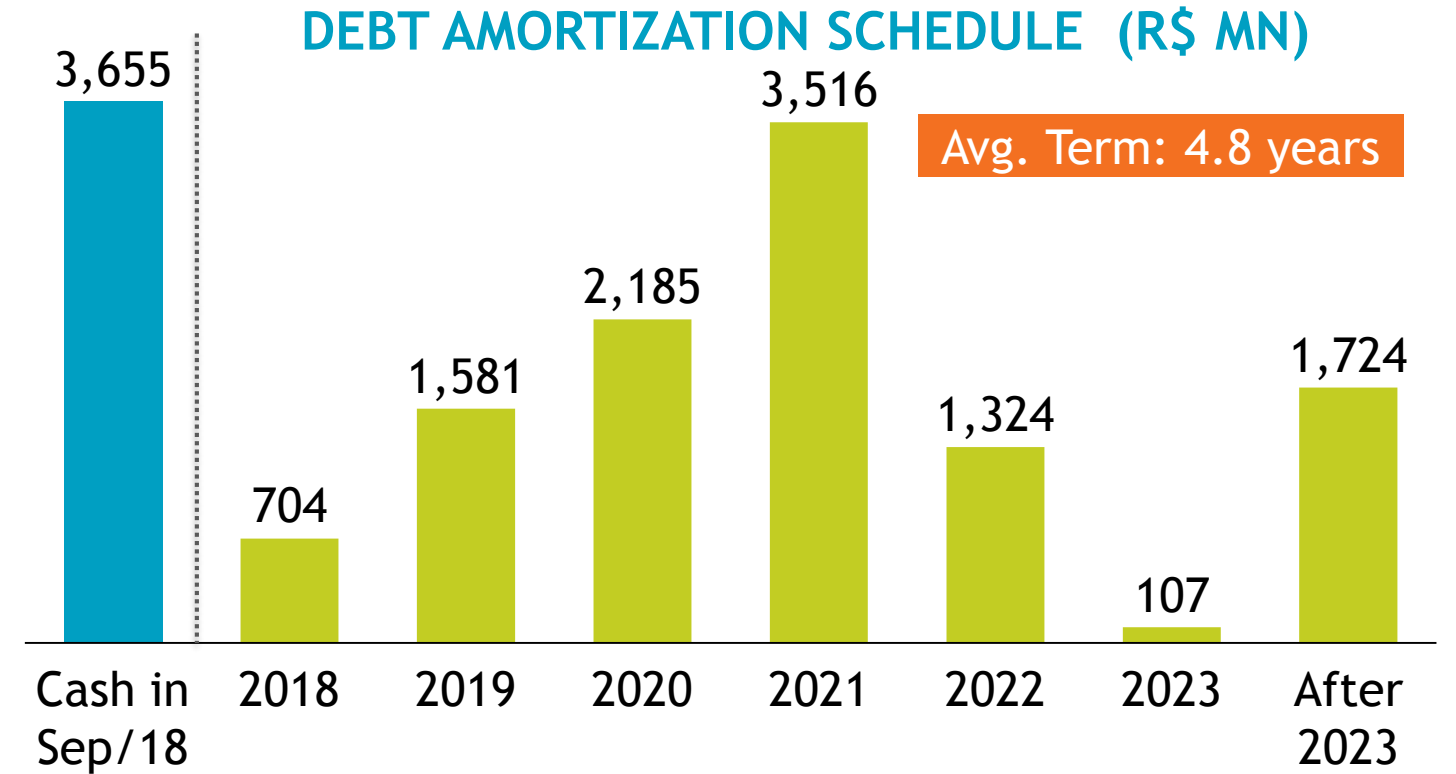
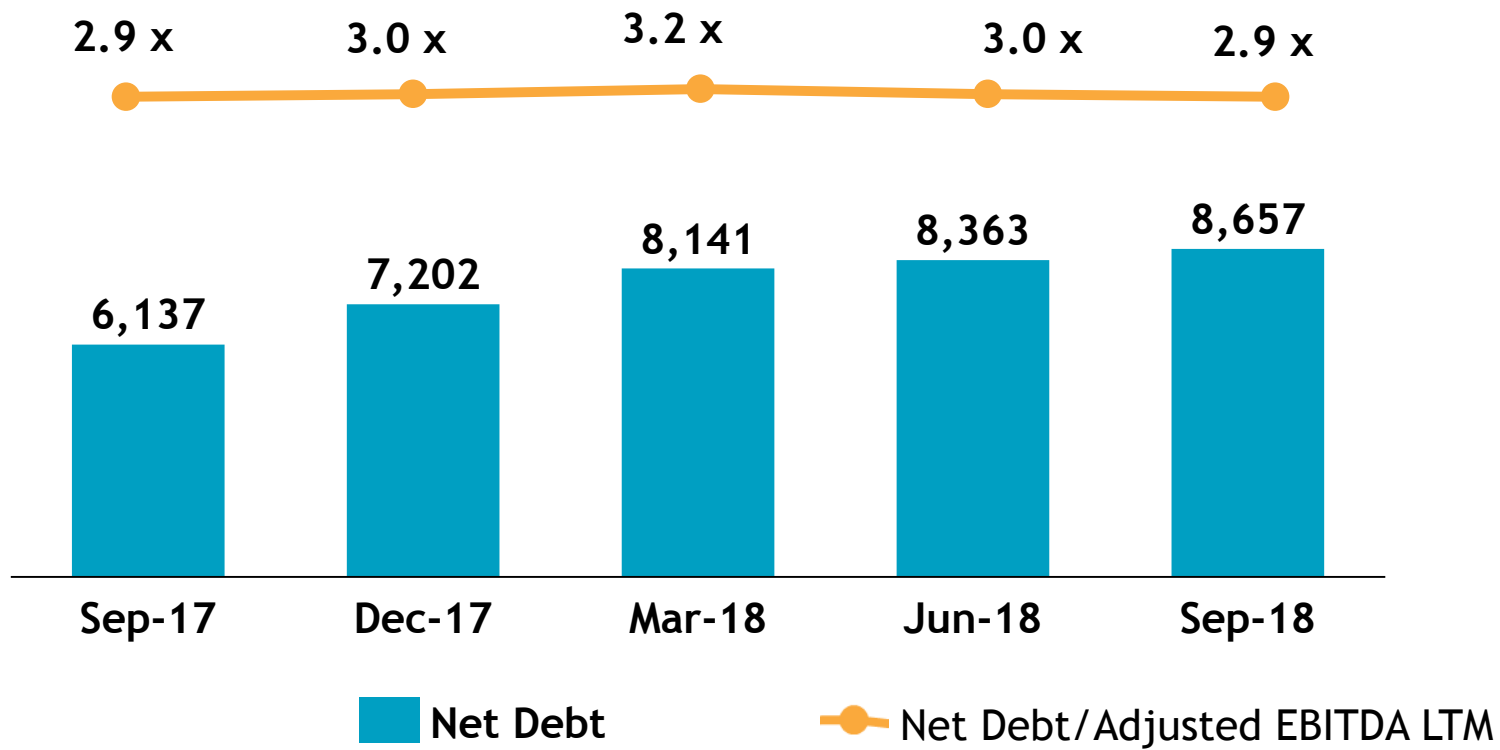


## NET INCOME EXCLUDING NON-RECURRING EFFECTS (R\$ MN)

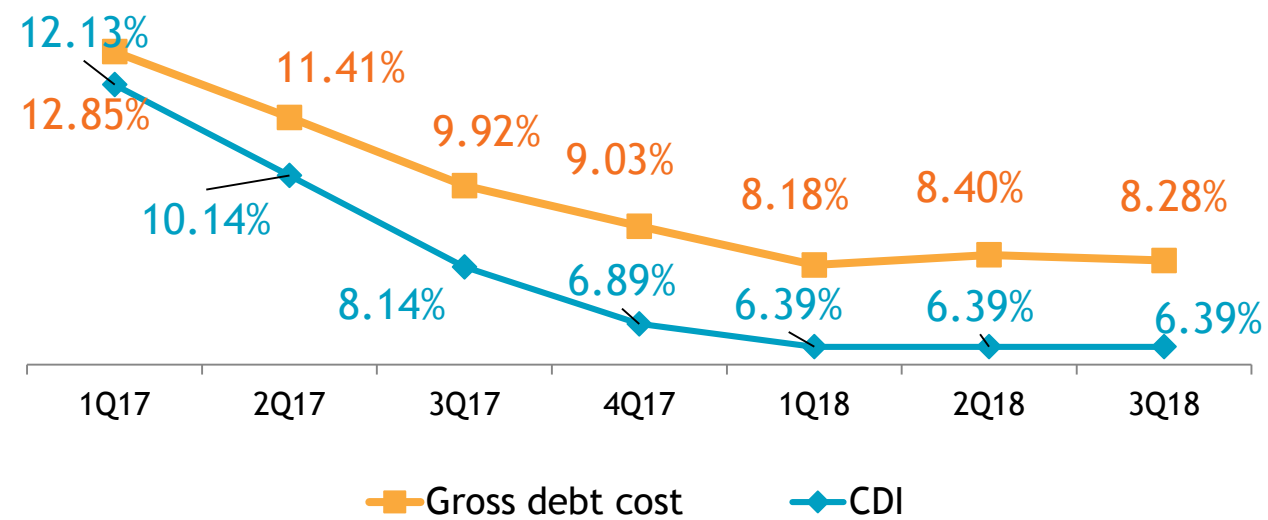
Description (R\$ million)	3Q18	3Q17	Change %
(=) Consolidated Net Income	259.4	134.1	+ 93.4
(+) Rescission costs	3.9	6.2	- 37.7
(+) Provision for success fees (EMT)	14.5	-	-
(=) Consolidated Net Income (without nonrecurrent effects)	277.7	140.3	+ 98.8

Description (R\$ million)	9M18	9M17	Change %
(=) Consolidated Net Income	505.1	340.0	+ 48.6
(+) Rescission costs	13.0	17.2	- 24.6
(+) Overcontracting (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 VNR Financial Restatement (EMT, EMS and ESE)	92.5	-	-
(-) Sale of aircraft (EMT)	-	18.3	-
(+) Provision for success fees (EMT)	14.5	-	-
(=) Consolidated Net Income (without nonrecurrent effects)	507.4	335.6	+ 51.2

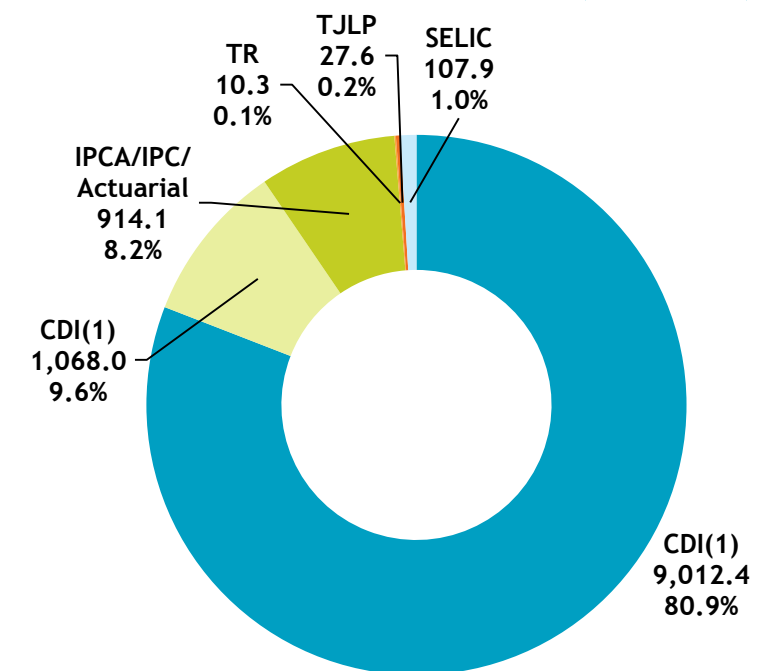
# Indebtedness



## GROSS DEBT COST

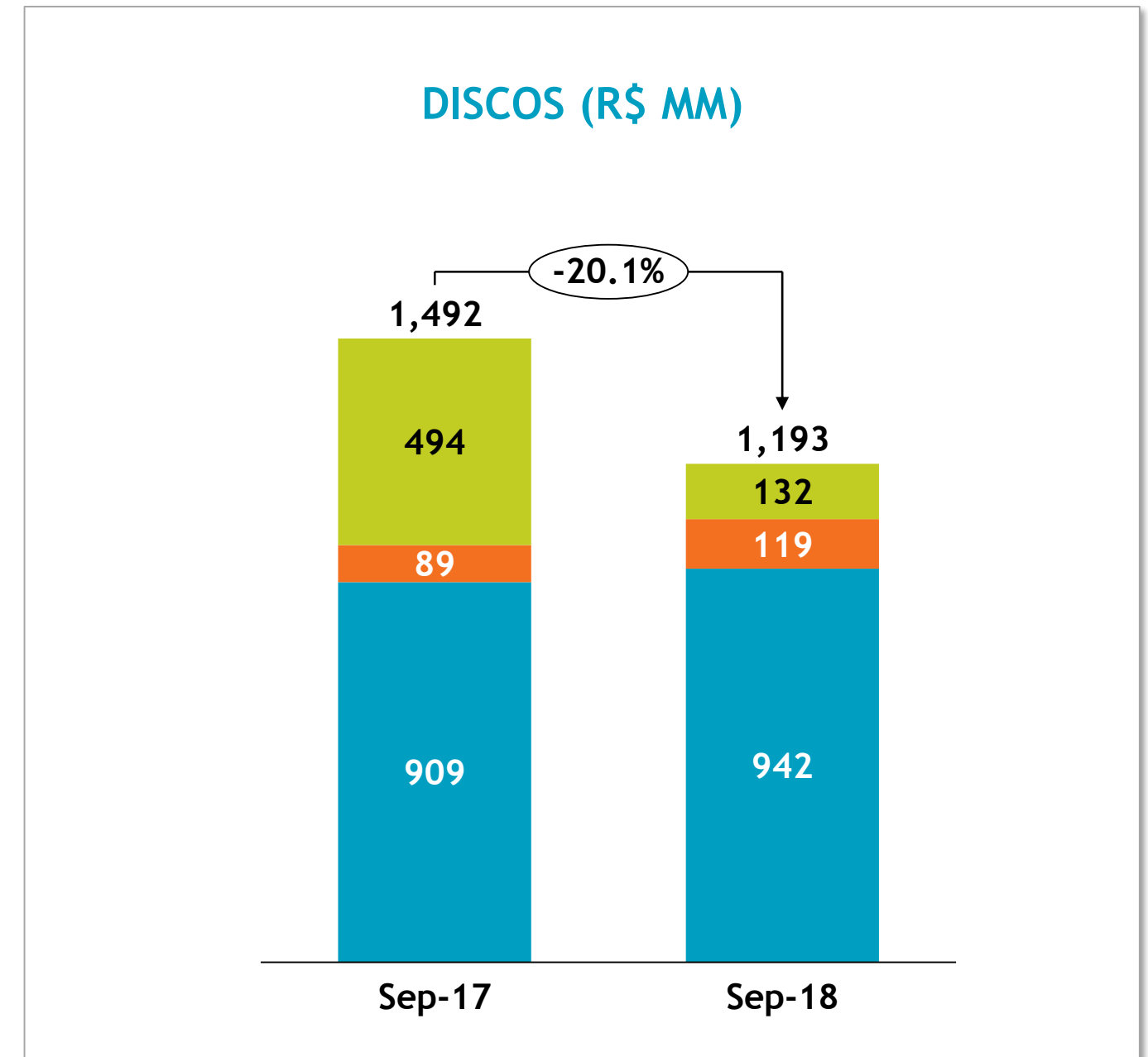
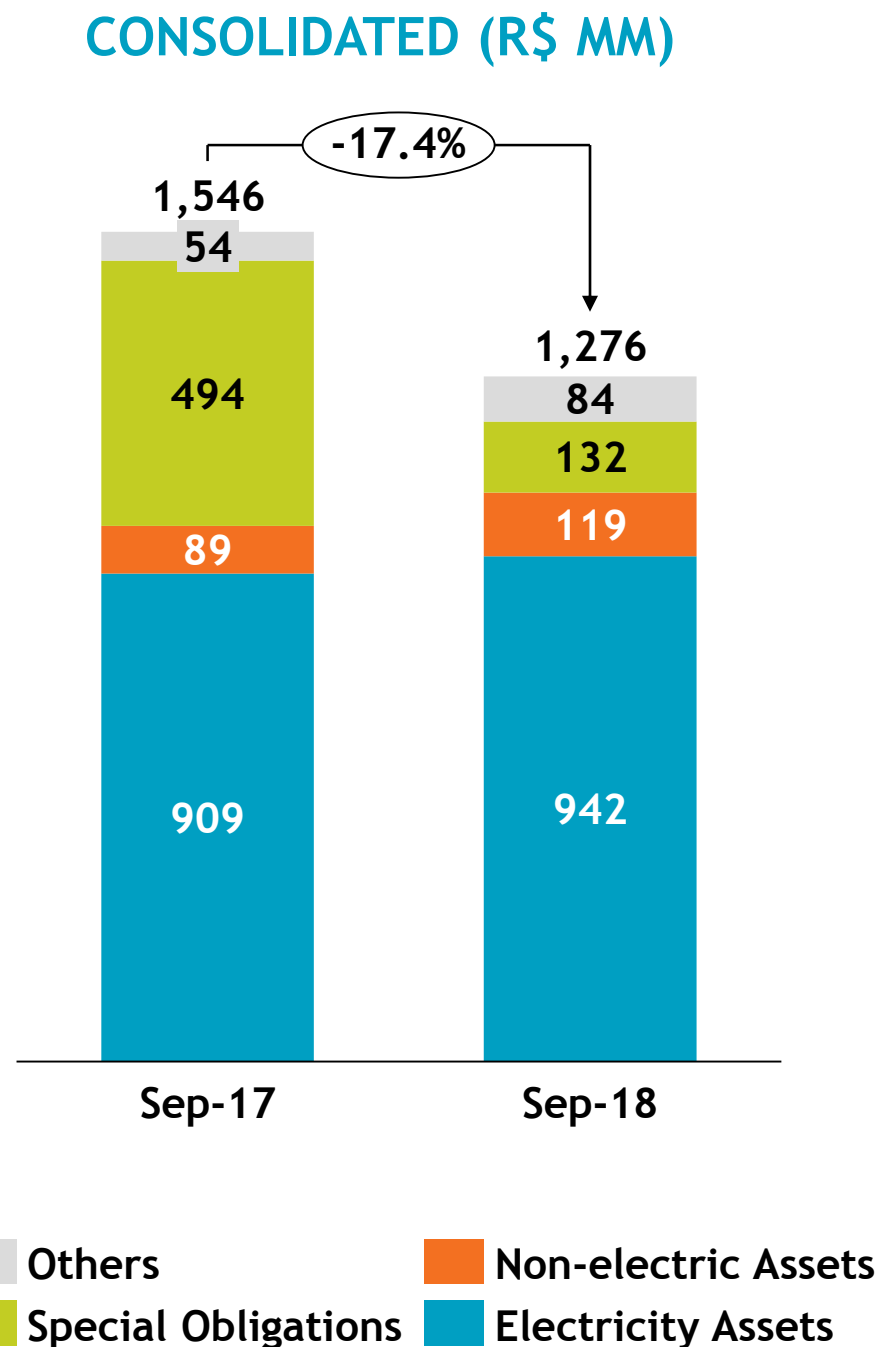


## GROSS DEBT BY INDEX (R\$ / %)



# Investments

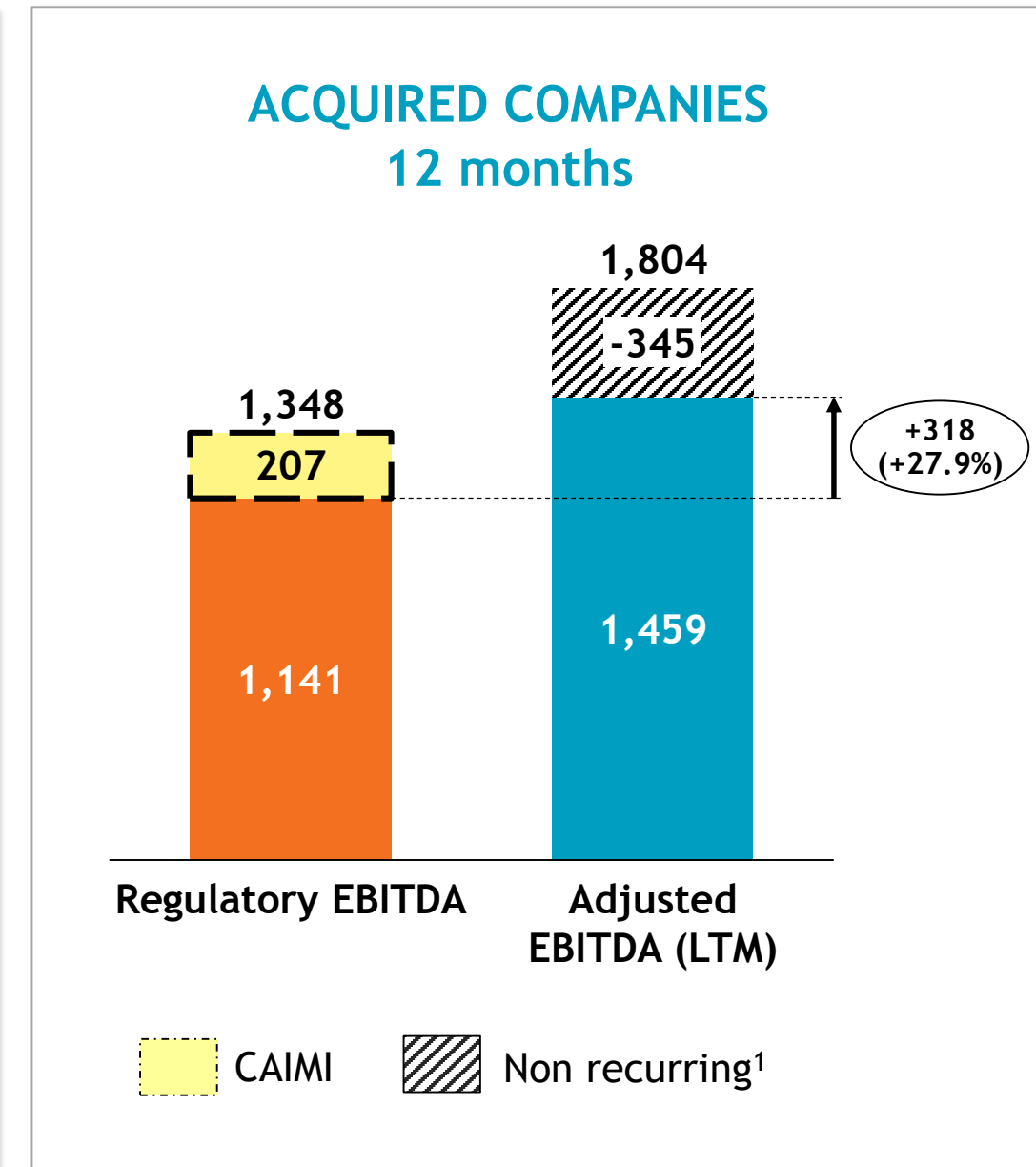
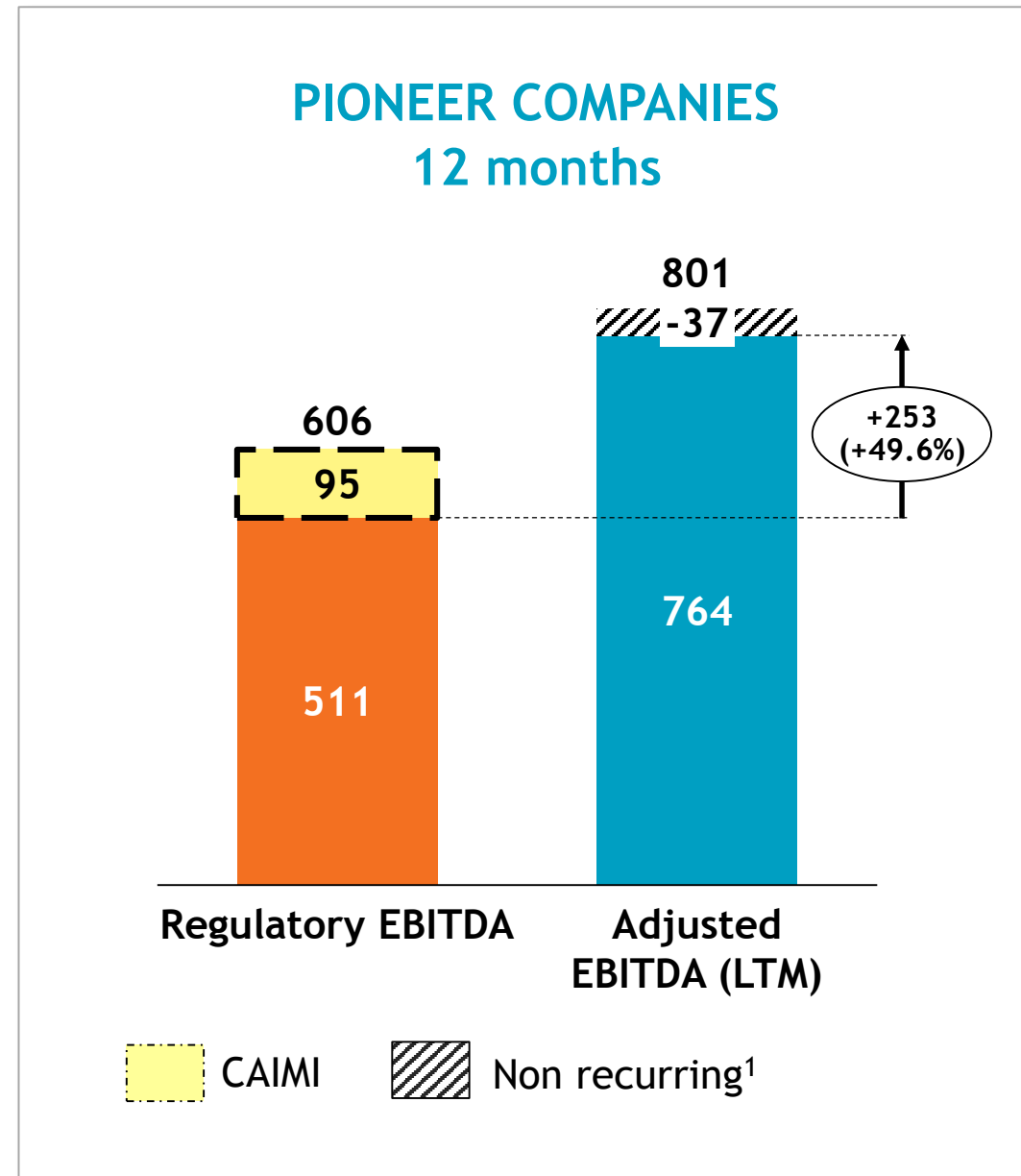
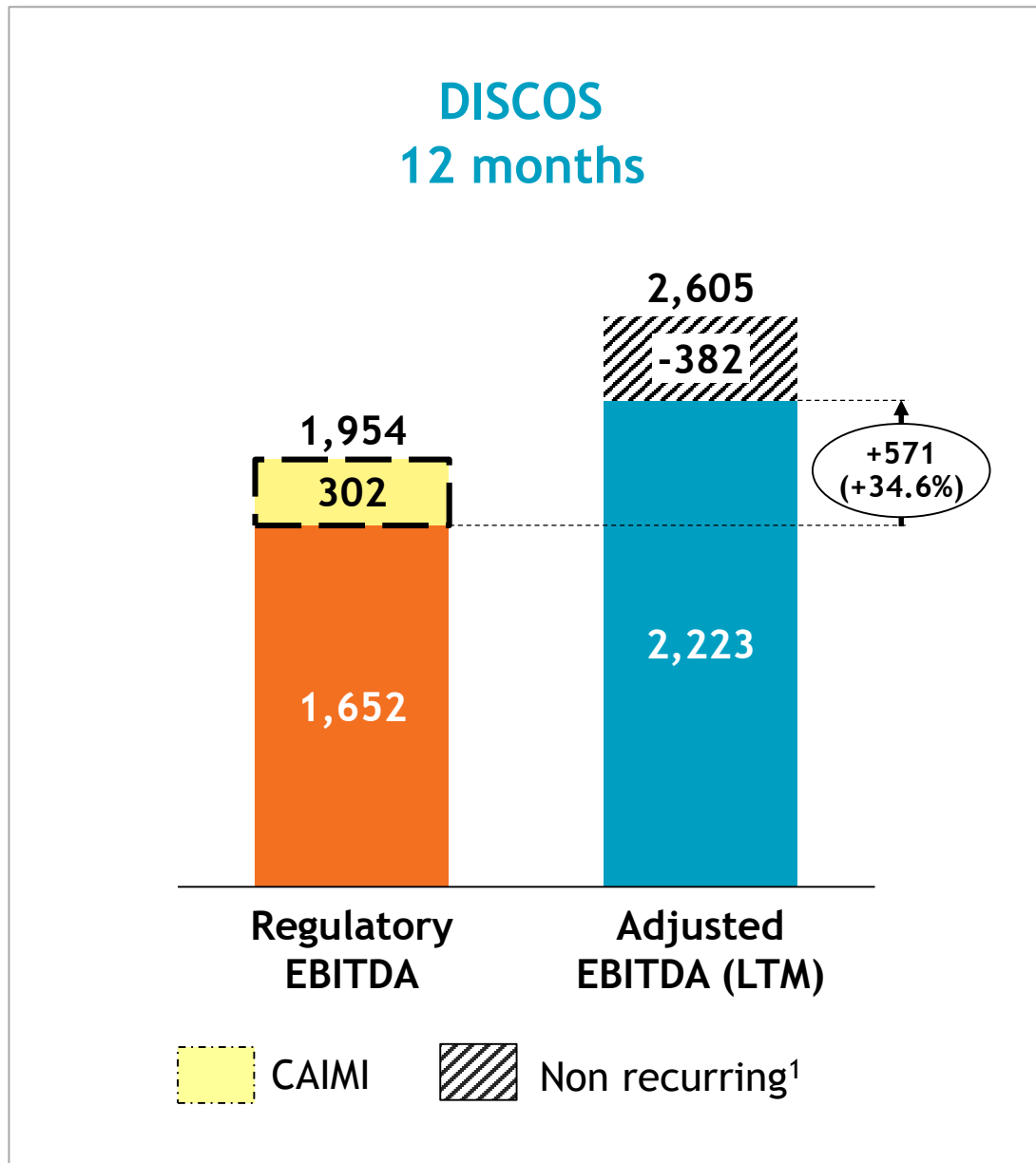
Investments in the distribution companies dropped 20.1% after the conclusion of the revision cycles.



# Regulatory

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

(R\$ million)



Non recurring events in the last months ended Sep/18: R\$ 21.6 million (compensatory costs), R\$ 377.0 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); R\$ 36.9 million (overcontracting) and R\$ 17.1 million (success fee in EMT).

# Thank you

Ricardo Perez Botelho

CEO

Tel.: +55 21 2122-6904

Email: [rbotelho@energisa.com.br](mailto:rbotelho@energisa.com.br)

Maurício Perez Botelho

CFO

Tel.: +55 21 2122-6904

Email: [mbotelho@energisa.com.br](mailto:mbotelho@energisa.com.br)

Mariana Rocha

Investor Relations Manager

Tel.: +55 21 2122-9521

Email: [mariana.rocha@energisa.com.br](mailto:mariana.rocha@energisa.com.br)