Energisa S.A.

(And Subsidiaries)

Energisa S.A. (Holding)	Rating	Outlook	Last Rating Action
Long-Term Local Currency IDR	BB+	Stable	Upgrade 3 April 2018
Long-Term IDR	BB	Stable	Affirmed 3 April 2018
National Long-Term Rating	AA+(bra)	Stable	Upgrade 3 April 2018

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Energisa's Subsidiaries	Rating	Outlook	Last Rating Action
Long-Term Local Currency IDR	BB+	Stable	Affirmed 3 April 2018
Long-Term IDR	BB	Stable	Affirmed 3 April 2018
National Long-Term Rating	AA+(bra)	Stable	Affirmed 3 April 2018

Click here for full list of ratings

Financial Summary

(BRLth)	Dec 2016	Dec 2017	Dec 2018F	Dec 2019F
Net Revenue	10,383,671	12,245,100	12,599,000	12,977,000
Operating EBITDAR Margin (%)	17.5	16.8	19.0	20.6
Operating EBITDA	1,820,223	2,052,568	2,393,000	2,676,000
FFO Fixed-Charge Coverage (x)	2.4	2.3	2.7	3.4
Total Adjusted Debt/Operating EBITDA (x)	4.4	4.7	3.5	3.1

Source: Fitch Ratings.

Energisa S.A. and its subsidiaries' Issuer Default Ratings (IDRs) reflect a low to moderate business risk for the Brazilian power distribution segment, which is mitigated by the group's diversification through nine concessions in the country. Fitch Ratings' analysis also considers that the group will consistently improve its operating cash generation and bring its net leverage to the 2.0x–3.0x range, consistent with its ratings, despite a negative FCF forecast for the next three years.

Fitch believes that Energisa is succeeding in improving the below-average operational performance of the subsidiaries acquired in 2014. Positively, Energisa group should retain its robust liquidity profile, based on high cash balances and a lengthened debt maturity profile. The agency considers that the guarantees provided by Energisa S.A. at the holding level to part of its subsidiaries' debt and the cross-default clauses equalize the ratings. The analysis incorporates a moderate regulatory environment for the Brazilian power sector and a hydrological risk currently above average. The Foreign Currency IDRs are constrained by Brazil's country ceiling at 'BB'.

Key Rating Drivers

Improving Leverage: Fitch forecasts that Energisa's consolidated net leverage will remain in the range of 2.0x–3.0x in the coming years. Increasing cash flow generation due to efficiency gains and the fourth tariff review cycle of important distribution subsidiaries will positively affect credit metrics. On March 31, 2018, total debt/EBITDA and net debt/EBITDA were 4.5x and 3.5x, respectively.

FCF Under Pressure: Energisa's consolidated FCF should remain negative in the next three years as a result of high capex and dividend distributions. The group expects to improve the operations of its distribution companies and is building two transmission lines, which require significant investments. Fitch expects average annual capex needs of BRL1.5 billion until 2020. In the LTM ended March 31, 2018, cash flow from operations (CFFO) amounted to BRL532 million, not sufficient to cover investments of BRL1.2 billion and BRL277 million in dividend payments, resulting in negative FCF of BRL972 million.

EBITDA Above Regulatory Targets: On a consolidated basis, Energisa has been able to achieve EBITDA higher than the sum of its individual regulatory EBITDA defined for each of its nine power distribution companies during the last tariff review. In 2017, Energisa's distribution companies' EBITDA was BRL1.8 billion versus a regulatory EBITDA of BRL1.4 billion. Fitch expects energy consumption in its main concession areas to benefit from economic growth above the national average, mainly supported by the positive impact of agribusiness. In addition, forecast investments may improve operational efficiencies and benefit some distribution companies' performance in terms of energy losses and delinquency ratios.

Manageable Holding-Level Debt: Fitch considers that the guarantees provided by the holding company to a great portion of its subsidiaries' loans and debentures, as well the existing cross-default clauses, equalize the ratings of the companies. In addition, the holding company's stand-alone credit profile benefits from a strong liquidity position and manageable amortization schedule. The dividend upstream from subsidiaries is also expected to increase due to it taking a larger stake in Energisa Mato Grosso – Distribuidora de Energisa S.A. (EMT), to 98% from 67%, and improvements in the subsidiaries' cash flow generation.

The capital needs in the two new transmission projects do not involve significant amounts of equity from the holding company, and Fitch believes the group has the financial flexibility to obtain funding structures adequate to finance at the projects level. The ratio of net debt/dividends received should gradually decline to less than 3.0x in the next three years from 6.0x at March 31, 2018.

Strategic Sector: Fitch incorporates in its analysis that the credit profiles of Brazilian power companies benefit from the sector's strategic importance to support economic growth. The government has historically acted to solve any systemic problems that can affect the operational cash flow of the companies and open discussions on regulatory framework improvements in order to mitigate the sector's risks. Nevertheless, the agency believes that the distribution segment presents a higher risk than the transmission and generation segments.

Rating Derivation Relative to Peers

Rating Derivation Versus Peers	
Peer Comparison	Energisa and its subsidiaries' Foreign Currency IDRs of 'BB' are constrained by the Country Ceiling. The Local Currency IDRs of 'BB+' are based on the group's low to moderate business risk, and the expectation that liquidity will remain robust and that net leverage will migrate to 2.0x–3.0x. Energisa's financial profile is more aggressive than Enel Americas S.A.'s (BBB+/Stable). Although other peers in Latin America, such as Empresas Publicas de Medellin E.S:P. (BBB+/Rating Watch Negative), and Grupo Energia Bogota S.A. E.S.P. (BBB/Stable), present similar financial profiles as Energisa, a historical high level of local interest rates justifies the different IDRs. In terms of business profile, all operate as regulated companies.
Parent/Subsidiary Linkage	No parent/subsidiary linkage is applicable
Country Ceiling	Energisa's FC IDR is constrained by the country ceiling 'BB'.
Operating Environment	The company's Operating Environment is 'BB–', with the bulk of its assets and revenue generation in Brazil, which has a challenging economic environment. The well-developed Brazilian financial markets and company's good local access to banking and capital markets mitigate this factor, although it has not tested access to international funding.
Other Factors	None.

Source: Fitch Ratings.

Rating Sensitivities

Developments That May, Individually or Collectively, Lead to Positive Rating Action

- Consolidated net leverage sustained below 2.0x;
- Cash and marketable securities/short term debt above 1.5x.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

- New projects or acquisitions involving significant debt financing;
- Consolidated net leverage consistently above 3.0x;
- Cash and marketable securities/short-term debt below 1.0x;
- At the holding level, dividends received plus cash and marketable securities/short-term debt service below 1.0x.

Liquidity and Debt Structure

Strong Liquidity Profile: Energisa group has strong liquidity and high financial flexibility to finance its investment plans and refinance outstanding short-term debt, if needed. At March 31, 2018, total adjusted cash and marketable securities of BRL2.1 billion covered short-term debt of BRL2.3 billion by 0.9x. Total debt was BRL10 billion. At the holding company level, the cash position was BRL241 million and short-term debt was BRL328 million, representing short-term debt coverage of 0.73x. Despite the BRL566 million disbursed to acquire the shares of EMT at the beginning of 2018, increasing Energisa's stake in that subsidiary, the conclusion of the 9th debentures issue in the amount of BRL850 million improved liquidity.

Debt Maturities and Liquidity at Dec. 31, 2017

Liquidity Summary

(BRL Th.)	12/31/2016	12/31/2017
Total Cash and Cash Equivalents	2,600,548	2,818,271
Short-Term Investments	0	0
Less: Not Readily Available Cash and Cash Equivalents	(138,524)	(137,837)
Fitch-Defined Readily Available Cash and Cash Equivalents	**2,462,024**	**2,680,434**
Availability Under Committed Lines of Credit	0	0
Total Liquidity	**2,462,024**	**2,680,434**
Plus: Fitch Forecast 2018 FCF (post dividend)		(361,242)
Liquidity Score (x)		**1.17**
LTM EBITDA	**1,820,223**	**2,052,568**
LTM FCF	**(412,125)**	**(865,183)**

Source: Fitch Ratings, company filings.

Scheduled Debt Maturities

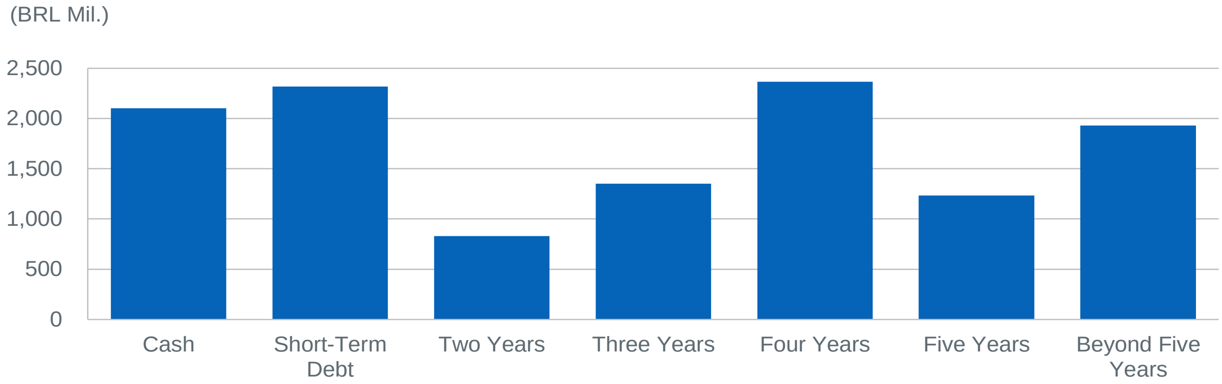
(BRL Th.)	12/31/2017
December 31, 2018	1,975,429
December 31, 2019	1,792,000
December 31, 2020	1,594,913
December 31, 2021	1,180,922
December 31, 2022	1,229,442
Thereafter	1,776,022
Total Debt Maturities	**9,548,728**

Source: Fitch Ratings, company filings.

Charts

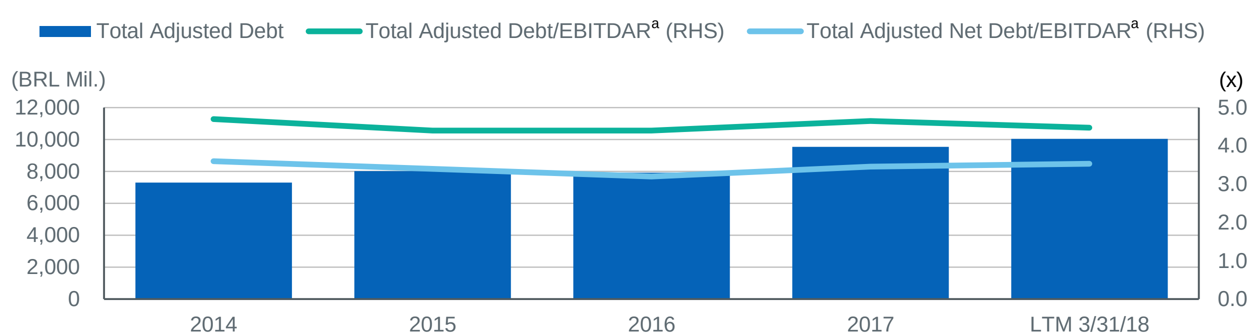
Liquidity and Debt Maturity Schedule

(As of March 31, 2018)



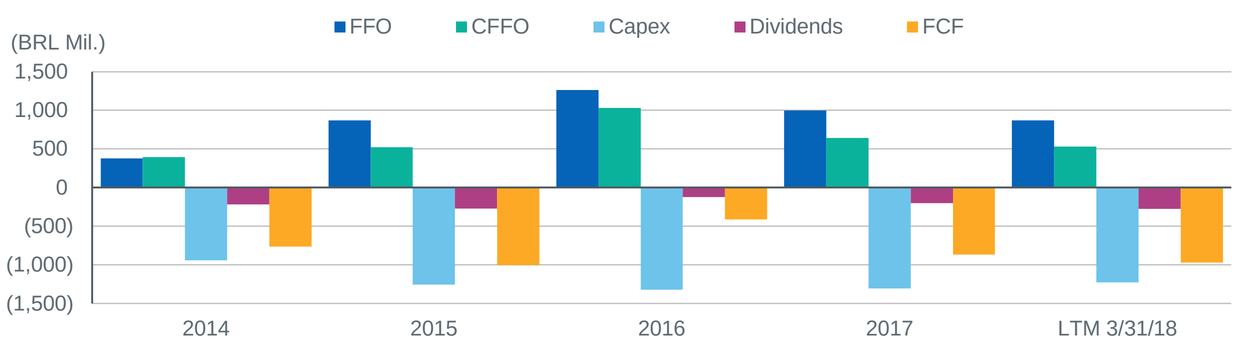
Source: Company data, Fitch Ratings.

Total Adjusted Debt and Leverage Ratios



[a]Operating EBITDAR after associates and minorities.
Source: Company data, Fitch Ratings.

Annual Cash Flow Performance



CFFO – Cash flow from operations.
Source: Company data, Fitch Ratings.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer Include

- Increase in energy consumption in line with Brazilian GDP growth;
- Annual average capex of BRL1.5 billion until 2021;
- Dividend payout of 50% of net profit;
- No new debt-financed acquisition.

Financial Data

(BRLth)	Historical		Forecast		
	Dec 2016	Dec 2017	Dec 2018F	Dec 2019F	Dec 2020F
SUMMARY INCOME STATEMENT					
Net Revenue	10,383,671	12,245,100	12,599,000	12,977,000	13,340,000
Revenue Growth (%)	-3.8	17.9	2.9	3.0	2.8
Operating EBITDA (Before Income from Associates)	1,820,223	2,052,568	2,393,000	2,676,000	2,943,000
Operating EBITDA Margin (%)	17.5	16.8	19.0	20.6	22.1
Operating EBITDAR	1,820,223	2,052,568	2,393,000	2,676,000	2,943,000
Operating EBITDAR Margin (%)	17.5	16.8	19.0	20.6	22.1
Operating EBIT	1,116,579	1,244,893	1,590,530	1,803,338	2,018,379
Operating EBIT Margin (%)	10.8	10.2	12.6	13.9	15.1
Gross Interest Expense	-762,391	-588,165	-860,156	-783,529	-750,508
Pretax Income (Including Associate Income/Loss)	344,079	606,890	807,994	1,082,289	1,332,007
SUMMARY BALANCE SHEET					
Readily Available Cash and Equivalents	2,462,024	2,680,434	1,331,600	1,071,854	1,100,275
Total Debt with Equity Credit	7,920,738	9,548,728	8,423,299	8,366,299	8,291,386
Total Adjusted Debt with Equity Credit	7,920,738	9,548,728	8,423,299	8,366,299	8,291,386
Net Debt	5,458,714	6,868,294	7,091,699	7,294,445	7,191,111

SUMMARY CASH FLOW STATEMENT					
Operating EBITDA	1,820,223	2,052,568	2,393,000	2,676,000	2,943,000
Cash Interest Paid	-691,150	-593,615	-860,156	-783,529	-750,508
Cash Tax	-182,827	-204,649	-31,974	-42,828	-52,710
Dividends Received Less Dividends Paid to Minorities (Inflow/(Out)flow)	0	0	0	0	0
Other Items Before FFO	316,381	-255,900	0	0	0
Funds Flow from Operations	1,262,627	998,404	1,578,490	1,912,123	2,203,918
Change in Working Capital	-229,796	-356,708	-25,574	-27,315	-26,231
Cash Flow from Operations (Fitch Defined)	1,032,831	641,696	1,552,916	1,884,808	2,177,687
Total Non-Operating/ Nonrecurring Cash Flow	0	0			
Capex	-1,321,267	-1,303,492			
Capital Intensity (Capex/Revenue) (%)	12.7	10.6			
Common Dividends	-123,689	-203,387			
FCF	-412,125	-865,183			
Net Acquisitions and Divestitures	52,139	119,673			
Other Investing and Financing Cash Flow Items	-574,472	-584,506	137,837	0	0
Net Debt Proceeds	-79,400	1,195,719	-1,125,429	-57,000	-74,913
Net Equity Proceeds	1,545,466	0	0	0	0
Total Change in Cash	531,608	-134,297	-1,348,834	-259,745	28,420
ADDITIONAL CASH FLOW MEASURES					
FFO Margin (%)	12.2	8.2	12.5	14.7	16.5
Calculations for Forecast Publication					
Capex, Dividends, Acquisitions and Other Items Before FCF	-1,392,817	-1,387,206	-1,914,159	-2,087,553	-2,074,354
FCF After Acquisitions and Divestitures	-359,986	-745,510	-361,242	-202,745	103,333

FCF Margin (After Net Acquisitions) (%)	-3.5	-6.1	-2.9	-1.6	0.8
COVERAGE RATIOS					
FFO Interest Coverage (x)	2.4	2.3	2.7	3.4	3.9
FFO Fixed-Charge Coverage (x)	2.4	2.3	2.7	3.4	3.9
Operating EBITDAR/ Interest Paid + Rents (x)	2.6	3.5	2.8	3.4	3.9
Operating EBITDA/ Interest Paid (x)	2.6	3.5	2.8	3.4	3.9
LEVERAGE RATIOS					
Total Adjusted Debt/ Operating EBITDAR (x)	4.4	4.7	3.5	3.1	2.8
Total Adjusted Net Debt/Operating EBITDAR (x)	3.0	3.3	3.0	2.7	2.4
Total Debt with Equity Credit/Operating EBITDA (x)	4.4	4.7	3.5	3.1	2.8
FFO Adjusted Leverage (x)	4.8	7.1	3.6	3.2	2.9
FFO Adjusted Net Leverage (x)	3.5	5.2	3.0	2.8	2.5

How to Interpret the Forecast Presented

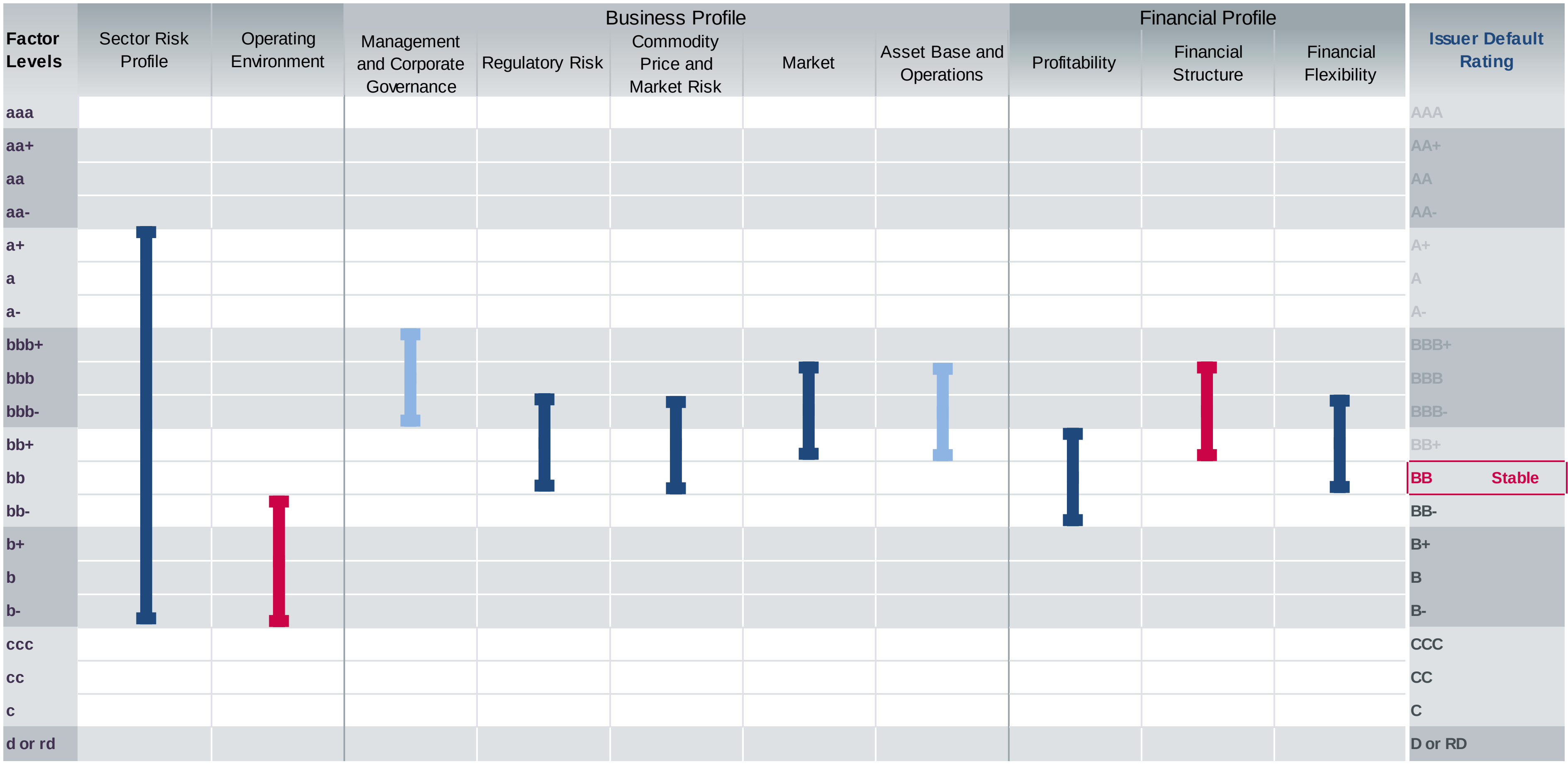
The forecast presented is based on the agency's internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch's forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch's own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch's own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch's own internal deliberations, where Fitch, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch may update the forecast in future reports but assumes no responsibility to do so.

Rating Navigator

Energisa S.A.

Corporates Ratings Navigator

LATAM Utilities



FitchRatings **Energisa S.A.**

Corporates Ratings Navigator
LATAM Utilities

Operating Environment

bb	Economic Environment	b	Weak combination of countries where economic value is created and where assets are located.
bb-	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	bb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bb'.
b-			
ccc			

Management and Corporate Governance

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bb	Board effectiveness questionable with few independent directors. "Key man" risk from dominant CEO or shareholder.
bbb	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb+			

Regulatory Risk

bbb	Independence	bb	Moderate government Interference in utility regulations.
bbb-	Balance	bbb	Regulatory framework is moderately biased toward the needs of end users at the expense of sector participants.
bb+	Transparency	bbb	The tariff-setting procedure is transparent and includes the participation of industry players.
bb	Recourse of Law	bbb	Procedures to appeal regulatory rulings are clear but long processing periods. Companies can oppose or comment on regulations.
bb-	Timeliness of Cost Recovery	bb	Significant lag to recover capital and operating costs.

Commodity Price and Market Risk

bbb	Price and Volume Risk	bbb	Moderate exposure to price risk. Long-term contracts provide high revenue visibility and most costs variations are passed through.
bbb-	Counterparty Risk	bb	Weighted average credit quality of actual and potential offtakers is in line with 'BB' rating.
bb+			
bb			
bb-			

Market

bbb+	Consumption Growth Trend	bbb	Customer and usage growth in line with industry averages.
bbb	Customer Mix	a	Well diversified customer mix.
bbb-	Geographic Location	bb	High sensitivity to extreme weather or disaster disruptions.
bb+	Supply Demand Dynamics	bb	Uncertain outlook for prices and rates.
bb			

Asset Base and Operations

bbb+	Asset Diversity	bbb	Good quality and/or reasonable scale diversified assets.
bbb	Reliability of Operations and Cost Position	bbb	Reliability and cost of operations at par with industry averages with moderate operating losses.
bbb-	Exposure to Environmental	bbb	Limited or manageable exposure to environmental regulations.
bb+	Capital and Technological Intensity	bbb	Moderate reinvestment requirements in established technologies.
bb			

Profitability

bbb-	Volatility of Profitability	bb	Less stability and predictability of profits relative to utility peers.
bb+	Free Cash Flow	bb	Structurally negative FCF across the investment cycle.
bb			
bb-			
b+			

Financial Structure

bbb+	Lease Adjusted FFO Gross Leverage	bbb	3.5x
bbb	Lease Adjusted FFO Net Leverage	bb	4.0x
bbb-	Total Adjusted Debt/Operating	bbb	3.5x
bb+			
bb			

Financial Flexibility

bbb	Financial Discipline	bbb	Less conservative policy but generally applied consistently.
bbb-	Liquidity (Cash+CFO)/S-T Debt	bbb	One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bb+	FFO Fixed Charge Cover	b	2.0x
bb	FX Exposure	aa	No material FX mismatch.
bb-			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

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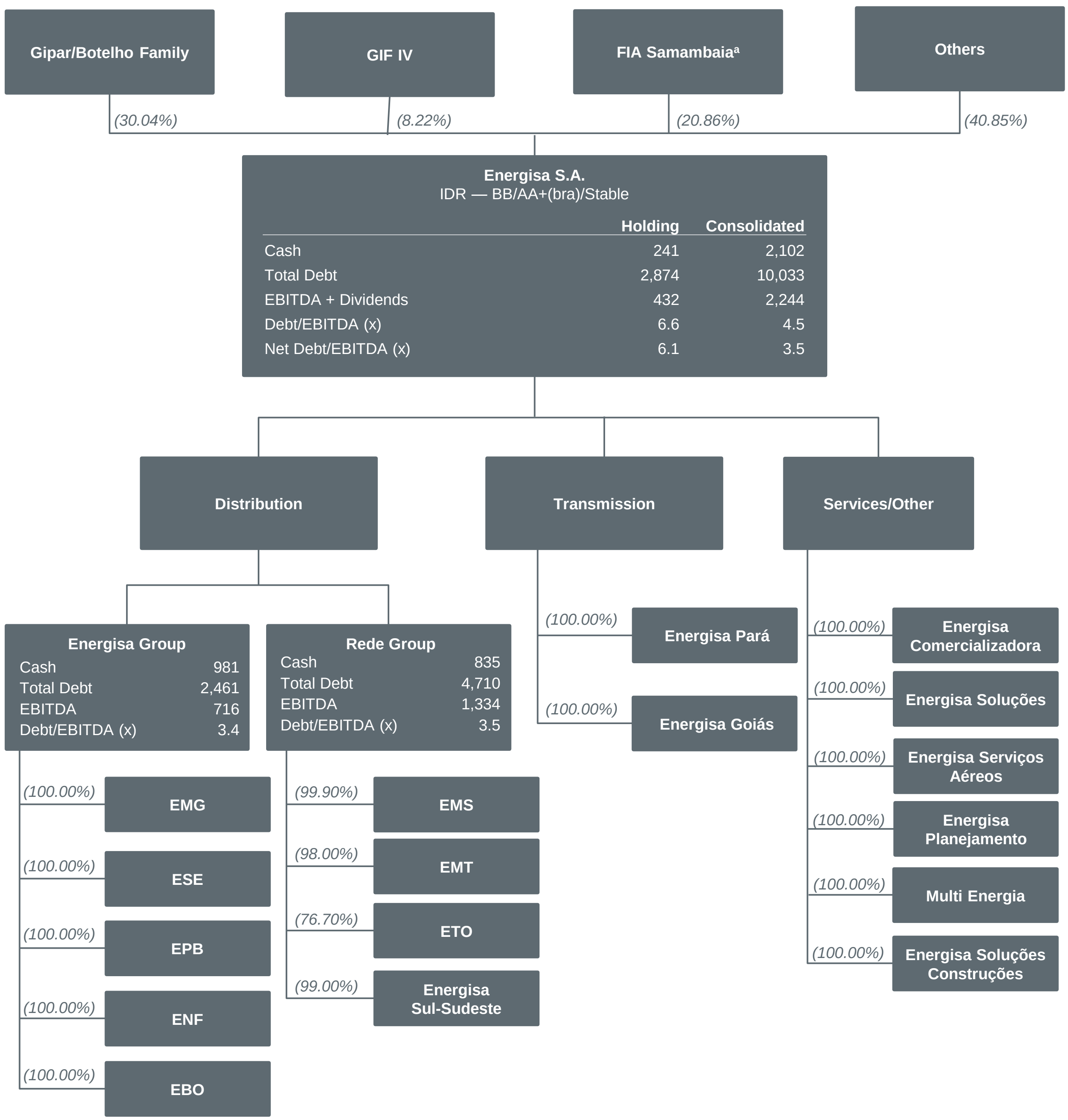
Simplified Group Structure Diagram

Organizational Structure — Energisa S.A.
(BRL Mil., LTM Ended March 31, 2018)



[a]Reflects direct and indirect declared investments by investment vehicles.
Source: Energisa S.A., Fitch Ratings.

Peer Financial Summary

Company	Date	Rating	Gross Revenue (USDm)	Operating EBITDAR Margin (%)	FFO Margin (%)	FFO Fixed Charge Coverage (x)	FFO Adjusted Leverage (x)
Energisa S.A.	2017	BB	3,702	16.8	8.2	2.3	7.1
	2016		3,187	17.5	12.2	2.4	4.8
	2015		2,765	16.7	8.0	2.4	6.6
Enel Americas S.A. (ex. Enersis Americas)	2017	BBB+	10,540	28.2	15.2	5.1	2.8
	2015		7,495	29.7	36.4	8.0	1.2
	2014		11,943	31.0	19.0	6.2	2.4
Empresas Publicas de Medellin E.S.P. (EPM)	2016	BBB+	5,269	21.6	19.5	3.7	3.9
	2015		4,412	25.7	18.2	4.0	4.6
	2014		4,917	30.3	39.6	9.8	2.2
Grupo Energia Bogota S.A. E.S.P. (GEB)	2016	BBB	1,044	47.2	60.5	5.0	3.6
	2015		1,086	41.6	62.7	6.1	3.7
	2014		964	45.6	50.9	5.3	5.2
Eletropaulo Metropolitana Eletricidade de Sao Paulo S.A.	2016	BB	3,332	6.8	18.3	4.9	1.4
	2015		3,344	7.4	2.8	1.7	4.9
	2014		3,771	5.1	2.3	1.5	6.5

Source: Fitch Ratings.

Reconciliation of Key Financial Metrics

(BRL Thousand, As reported)	31 Dec 2017
Income Statement Summary	
Operating EBITDA	2,052,568
+ Recurring Dividends Paid to Non-controlling Interest	0
+ Recurring Dividends Received from Associates	0
+ Additional Analyst Adjustment for Recurring I/S Minorities and Associates	0
= Operating EBITDA After Associates and Minorities (k)	**2,052,568**
+ Operating Lease Expense Treated as Capitalised (h)	**0**
= Operating EBITDAR after Associates and Minorities (j)	**2,052,568**
Debt & Cash Summary	
Total Debt with Equity Credit (l)	**9,548,728**
+ Lease-Equivalent Debt	0
+ Other Off-Balance-Sheet Debt	0
= Total Adjusted Debt with Equity Credit (a)	**9,548,728**
Readily Available Cash [Fitch-Defined]	2,450,726
+ Readily Available Marketable Securities [Fitch-Defined]	0
= Readily Available Cash & Equivalents (o)	**2,450,726**
Total Adjusted Net Debt (b)	**7,098,002**
Cash-Flow Summary	
Preferred Dividends (Paid) (f)	**0**
Interest Received	237,642
+ Interest (Paid) (d)	**(593,615)**
= Net Finance Charge (e)	**(355,973)**
Funds From Operations [FFO] (c)	**998,404**
+ Change in Working Capital [Fitch-Defined]	(356,708)
= Cash Flow from Operations [CFO] (n)	**641,696**
Capital Expenditures (m)	**(1,303,492)**
Multiple applied to Capitalised Leases	**5.0**
Gross Leverage	
Total Adjusted Debt / Op. EBITDAR* [x] (a/j)	**4.7**
FFO Adjusted Gross Leverage [x] (a/(c-e+h-f))	**7.1**
Total Adjusted Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Debt With Equity Credit / Op. EBITDA* [x] (l/k)	**4.7**
Net Leverage	
Total Adjusted Net Debt / Op. EBITDAR* [x] (b/j)	**3.5**
FFO Adjusted Net Leverage [x] (b/(c-e+h-f))	**5.2**
Total Adjusted Net Debt/(FFO - Net Finance Charge + Capitalised Leases - Pref. Div. Paid)	
Total Net Debt / (CFO - Capex) [x] ((l-o)/(n+m))	**-10.7**
Coverage	
Op. EBITDAR / (Interest Paid + Lease Expense)* [x] (j/-d+h)	**3.5**
Op. EBITDA / Interest Paid* [x] (k/(-d))	**3.5**
FFO Fixed Charge Cover [x] ((c-e+h-f)/(-d+h-f))	**2.3**
(FFO - Net Finance Charge + Capit. Leases - Pref. Div Paid) / (Gross Int. Paid + Capit. Leases - Pref. Div. Paid)	
FFO Gross Interest Coverage [x] ((c-e-f)/(-d-f))	**2.3**
(FFO - Net Finance Charge - Pref. Div Paid) / (Gross Int. Paid - Pref. Div. Paid)	

* EBITDA/R after Dividends to Associates and Minorities

Source: Fitch, based on information from company reports.

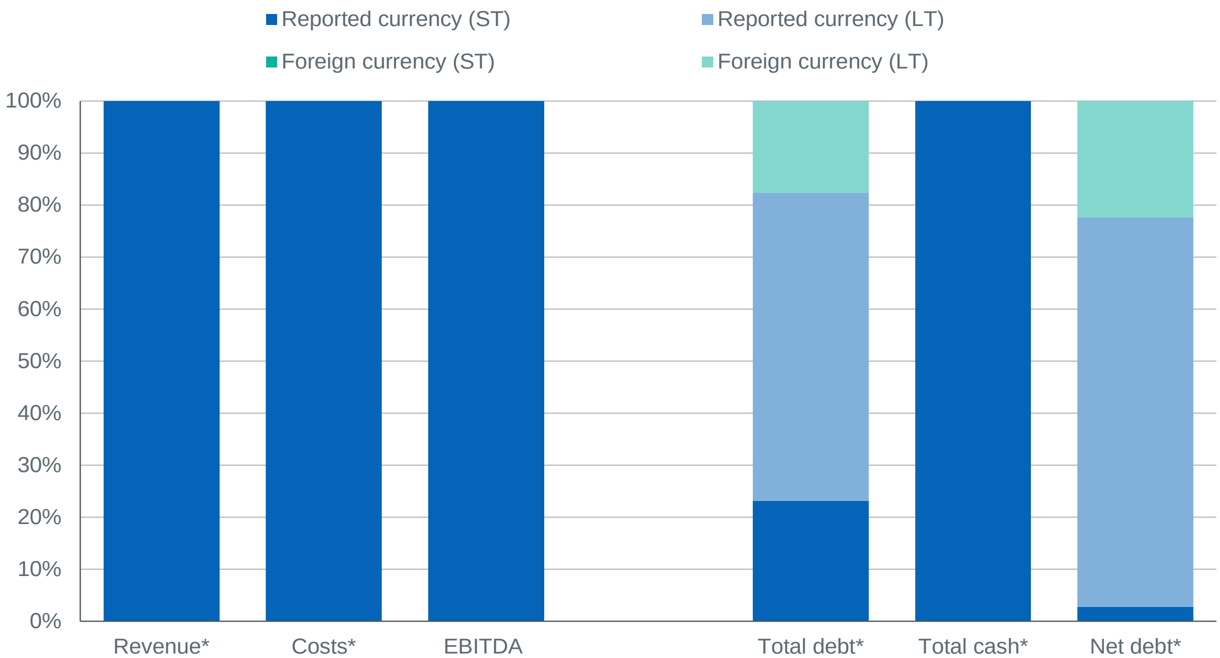
Fitch Adjustment Reconciliation

	Reported Values 31 Dec 17	Sum of Fitch Adjustments	Other Adjustment	Adjusted Values
Income Statement Summary				
Revenue	13,637,154	(1,392,054)	(1,392,054)	12,245,100
Operating EBITDAR	2,052,568	0		2,052,568
Operating EBITDAR after Associates and Minorities	2,052,568	0		2,052,568
Operating Lease Expense	0	0		0
Operating EBITDA	2,052,568	0		2,052,568
Operating EBITDA after Associates and Minorities	2,052,568	0		2,052,568
Operating EBIT	1,244,893	0		1,244,893
Debt & Cash Summary				
Total Debt With Equity Credit	8,954,561	594,167	594,167	9,548,728
Total Adjusted Debt With Equity Credit	8,954,561	594,167	594,167	9,548,728
Lease-Equivalent Debt	0	0		0
Other Off-Balance Sheet Debt	0	0		0
Readily Available Cash & Equivalents	2,680,434	0		2,680,434
Not Readily Available Cash & Equivalents	137,837	0		137,837
Cash-Flow Summary				
Preferred Dividends (Paid)	0			0
Interest Received	237,642	0		237,642
Interest (Paid)	(593,615)	0		(593,615)
Funds From Operations [FFO]	998,404	0		998,404
Change in Working Capital [Fitch-Defined]	(356,708)	0		(356,708)
Cash Flow from Operations [CFO]	641,696	0		641,696
Non-Operating/Non-Recurring Cash Flow	0	0		0
Capital (Expenditures)	(1,303,492)	0		(1,303,492)
Common Dividends (Paid)	(203,387)	0		(203,387)
Free Cash Flow [FCF]	(865,183)	0		(865,183)
Gross Leverage				
Total Adjusted Debt / Op. EBITDAR* [x]	4.4			4.7
FFO Adjusted Leverage [x]	6.6			7.1
Total Debt With Equity Credit / Op. EBITDA* [x]	4.4			4.7
Net Leverage				
Total Adjusted Net Debt / Op. EBITDAR* [x]	3.1			3.3
FFO Adjusted Net Leverage [x]	4.6			5.1
Total Net Debt / (CFO - Capex) [x]	-9.5			-10.4
Coverage				
Op. EBITDAR / (Interest Paid + Lease Expense)* [x]	3.5			3.5
Op. EBITDA / Interest Paid* [x]	3.5			3.5
FFO Fixed Charge Coverage [x]	2.3			2.3
FFO Interest Coverage [x]	2.3			2.3

*EBITDA/R after Dividends to Associates and Minorities

FX Screener

Fitch FX Screener
(Energisa S.A. — BB/Stable, LTM Mar-18, BRLth)



*Post hedge, absolute figures displayed are Fitch's analytical estimates, based on publicly available information
Source: Fitch

Full List of Ratings

Rating Type	Rating	Outlook	Last Rating Action
Energisa S.A. (Holding)			
Long-Term Local Currency IDR	BB+	Stable	Upgrade 3 April 2018
Long-Term IDR	BB	Stable	Affirmed 3 April 2018
National Long-Term Rating	AA+(bra)	Stable	Upgrade 3 April 2018

	Rating	Outlook	Last Rating Action
Energisa's Subsidiaries			
Long-Term Local Currency IDR	BB+	Stable	Affirmed 3 April 2018
Long-Term IDR	BB	Stable	Affirmed 3 April 2018
National Long-Term Rating	AA+(bra)	Stable	Affirmed 3 April 2018

Related Research & Criteria

Corporate Ratings Criteria (March 2018)
National Scale Ratings Criteria (March 2017)

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The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.