



1Q19 Earnings Presentation

May • 10 • 2019

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.

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Highlights

OPERATIONAL

- ▶ Total electricity consumption (captive + free market) grows 4.6% in the quarter, above the national average (3.7%);
- ▶ Total consolidated losses (LTM) reached 11.53% of the required energy in Mar/19, 0.21 p.p. below the regulatory limit (excluding Ceron e Acre).
- ▶ Delinquency Indicator (Delinquency/billed consumption) at 1.23%
- ▶ All Discos are below the regulatory limits for DEC and FEC, except Ceron in DEC.

FINANCIAL

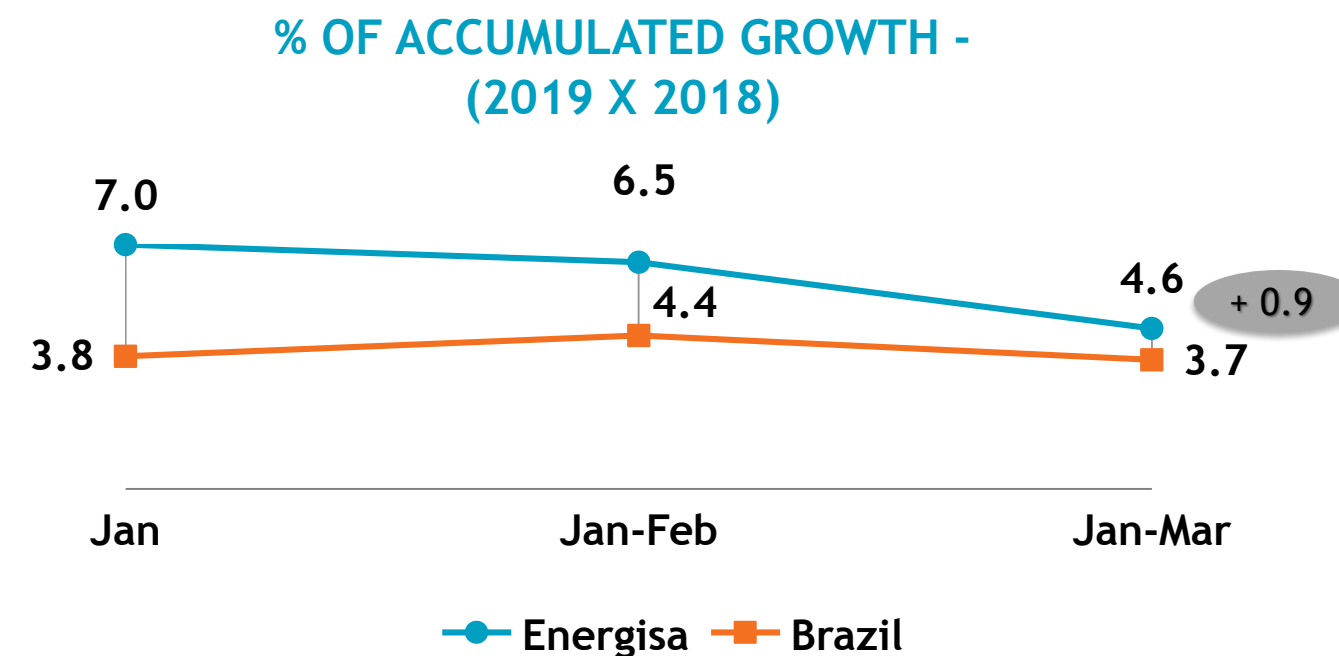
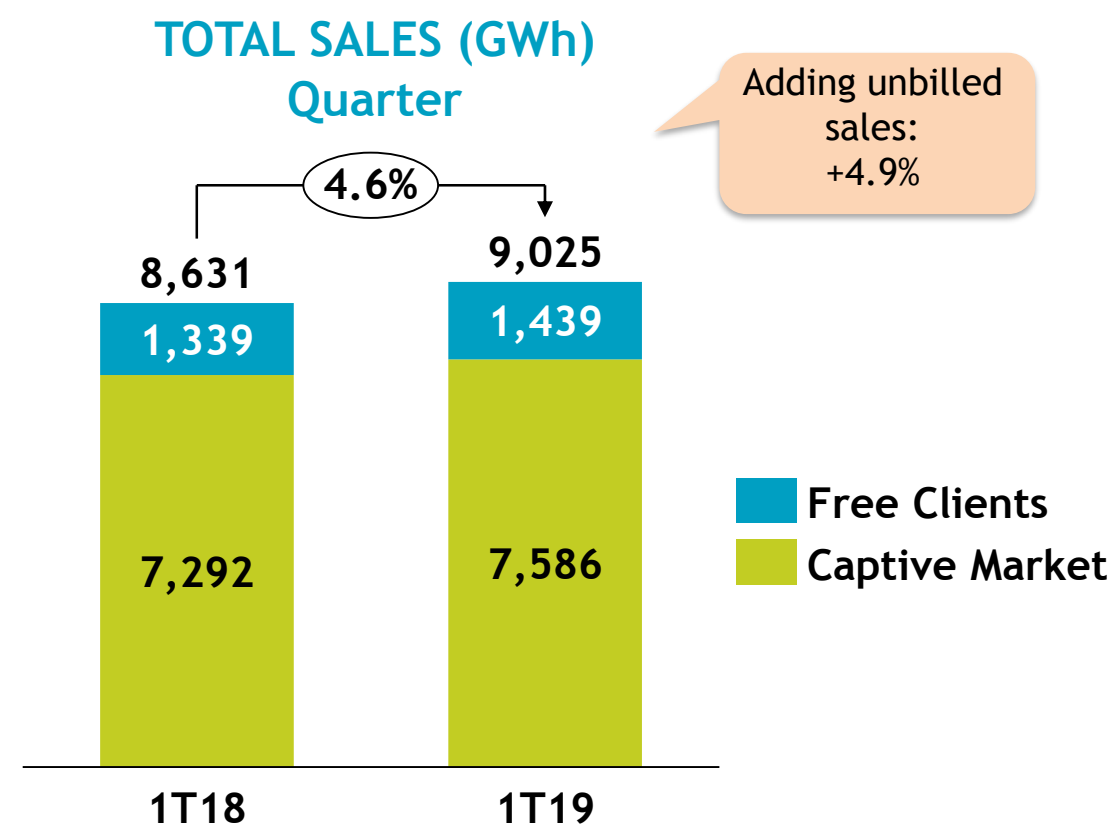
- ▶ Adjusted EBITDA (official/audited) reached R\$ 904.9 million in the quarter, increasing 15.5%. Adjusted EBITDA (pro forma) reached R\$ 958.4 million in the quarter, an increase 22.4%.
- ▶ Net income (official/audited) of R\$ 128.8 million in the quarter, a reduction of 9.5%. Net income (pro forma) of R\$ 313.2 million in the quarter, increasing 72.9%.
- ▶ Net debt amounts to R\$ 11,243.1 million, and net debt over adjusted EBITDA ratio of 2.7x;
- ▶ Total investments of R\$ 545.2 million in the quarter, an increase 55.1%;

SUBSEQUENT EVENTS

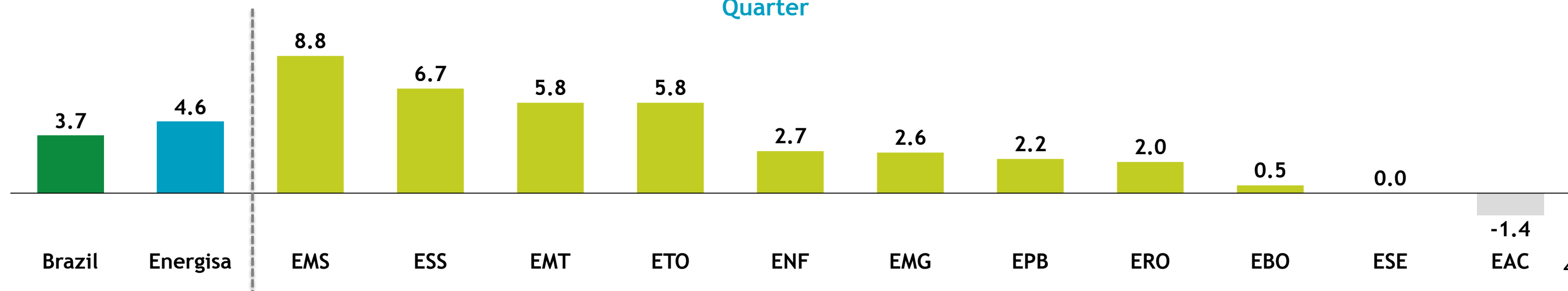
- ▶ End of the deadline, on April 30, for Eletrobras to exercise the option to increase its stake in up to 30% in Ceron (the option was not exercised);
- ▶ Conclusion of the public offering related to the 11th issuance of Debentures by ESA, in the amount of R\$ 500 million, at a cost of IPCA + 4.62%, expiring in Apr/2026;
- ▶ Signing of contract for the control acquisition of Alsol Energias Renováveis;
- ▶ Granting of Installation License for Energisa Pará II (Block 19), acquired in the June/18 Auction.

1Q19 Energy Market

Growth of 4.6% driven by the Mid West concessions

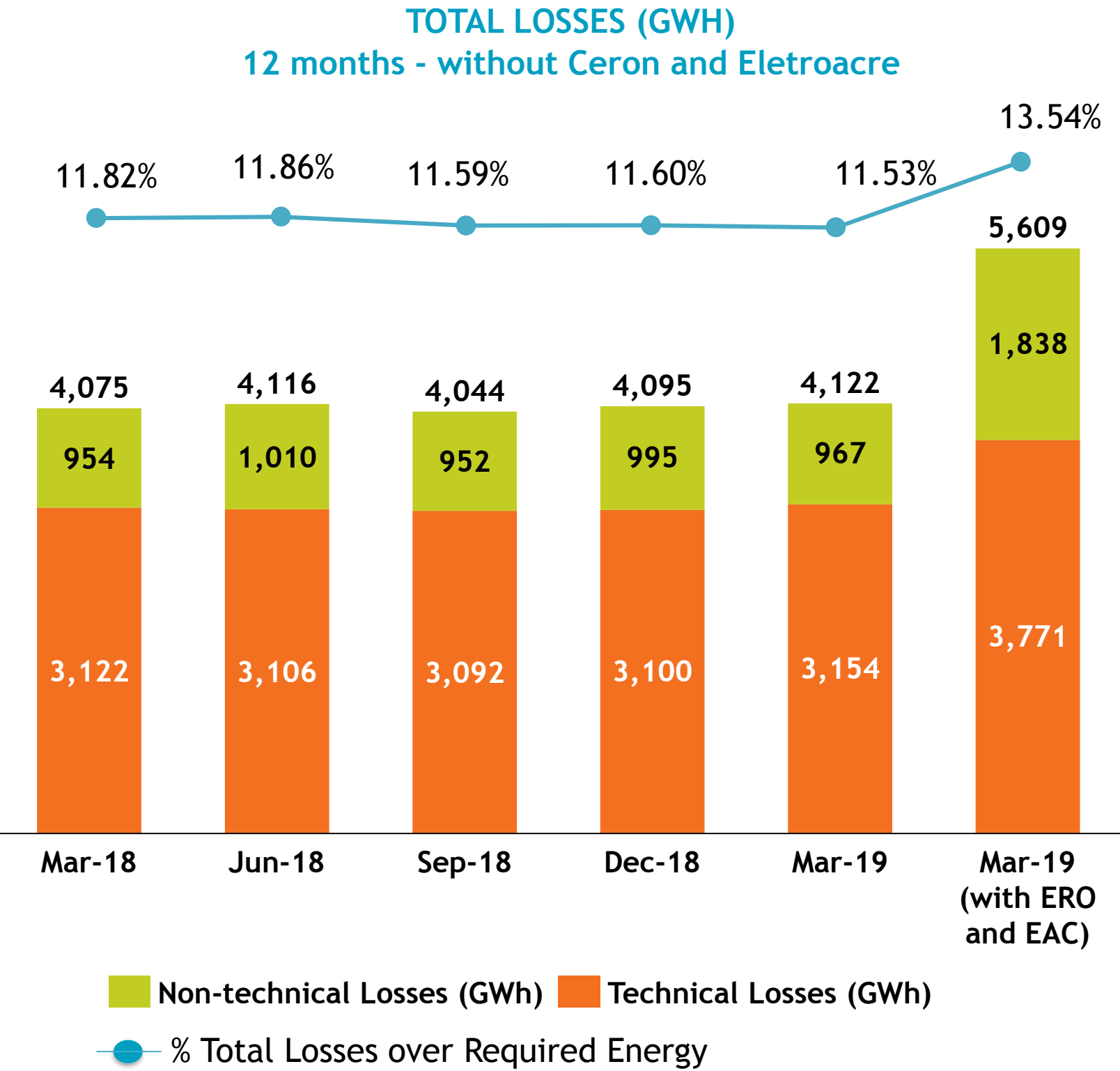


% GROWTH BY CONCESSION
Quarter



Total Losses

EMS reaches its lowest level of losses
EMT only 0.22 p.p. above the regulatory target

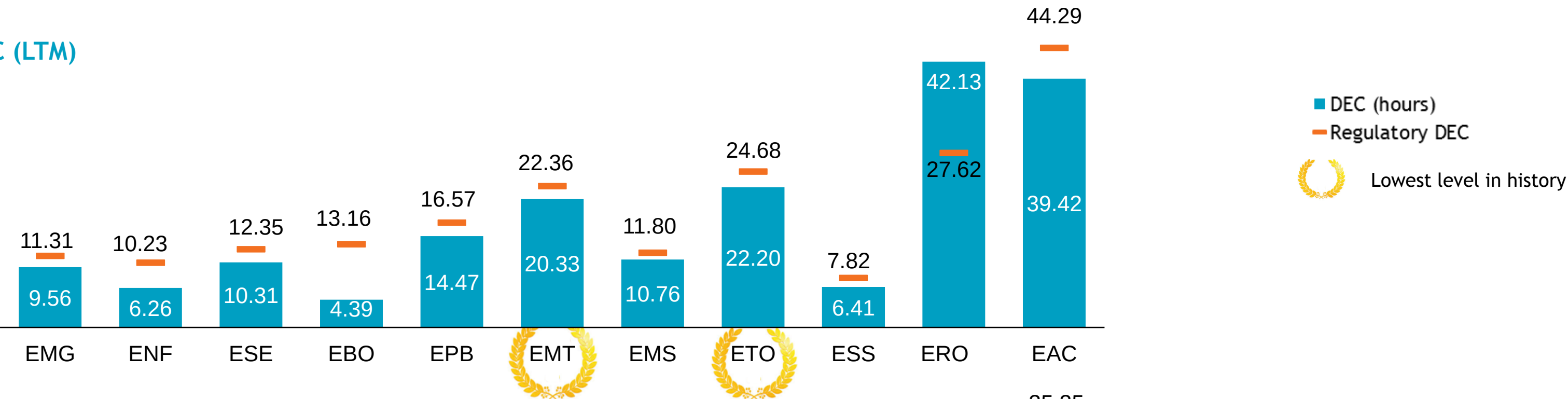


Discos	Total Losses (%)			ANEEL
% Injected Energy (12 months)	Mar-18	Dec-18	Mar-19	
EMG	10.50	10.12	10.09	9.63
ENF	4.25	3.94	3.76	5.84
ESE	9.52	9.63	9.88	9.83
EBO	6.85	5.85	6.36	7.41
EPB	12.56	12.64	12.93	12.69
EMT	14.34	14.01	13.95	13.73
EMS	13.33	12.66	12.23	13.06
ETO	12.74	13.24	13.00	13.93
ESS	6.50	6.39	6.15	6.72
ERO	27.88	27.70	28.07	22.62
EAC	21.44	19.88	19.55	20.38
Energisa	13.86	13.57	13.54	13.10
Energisa (without ERO and EAC)	11.82	11.60	11.53	11.74

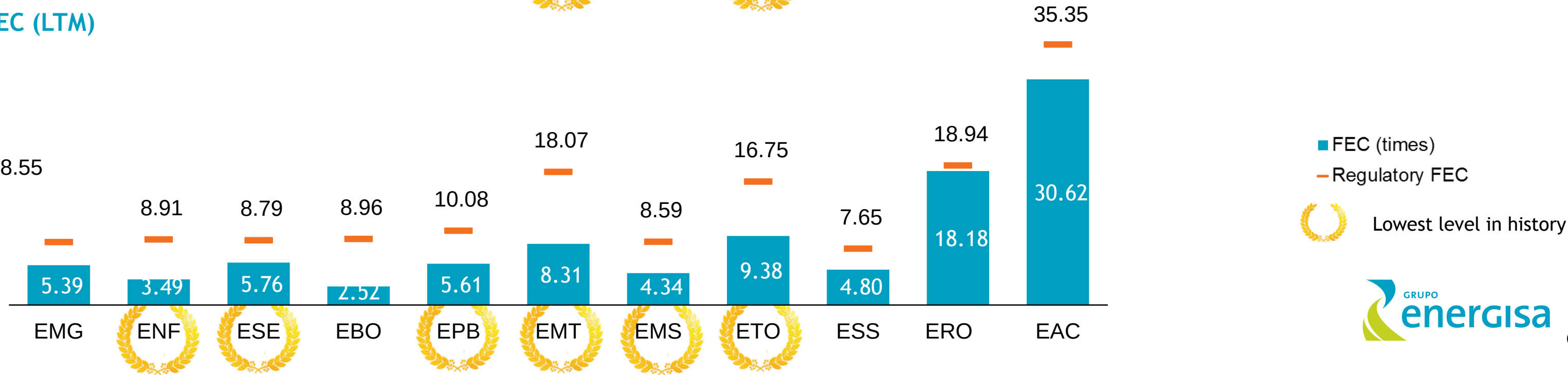
Service Quality Indicators

All legacy discos below the Regulatory limits for DEC and FEC
Eletroacre is below the limits with the flexibility benefit

DEC (LTM)

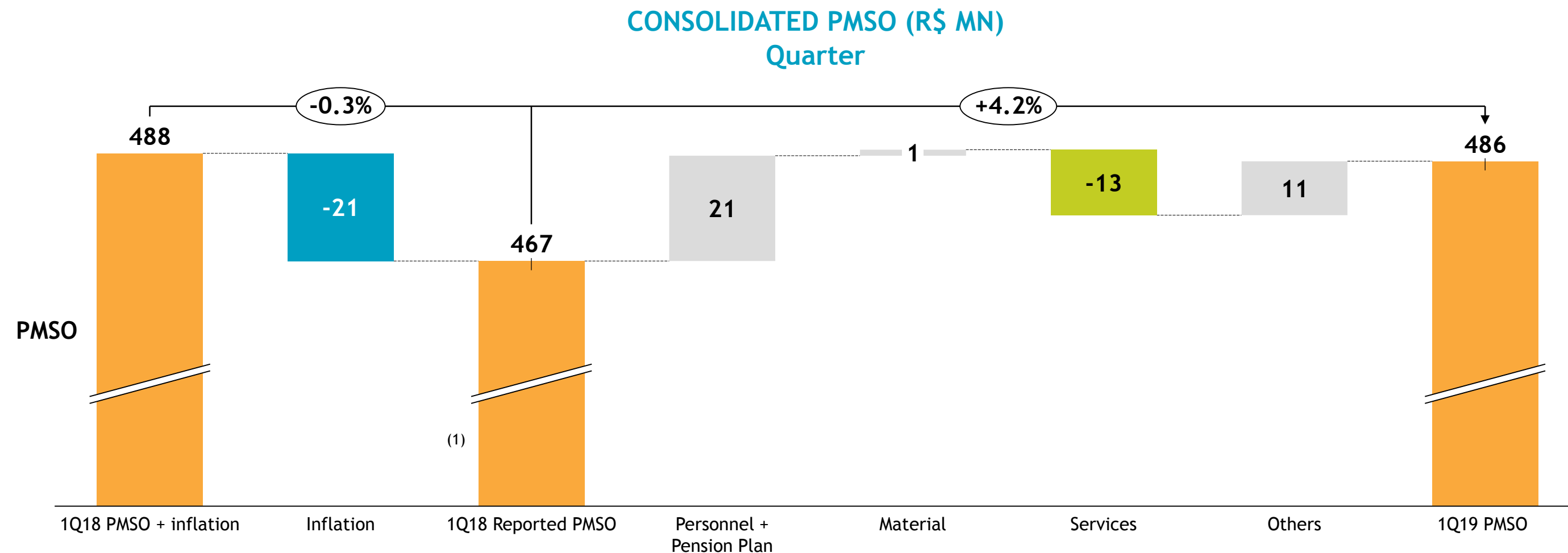


FEC (LTM)



PMSO (Personnel, Material, Services and Other) - without Ceron and Eletroacre

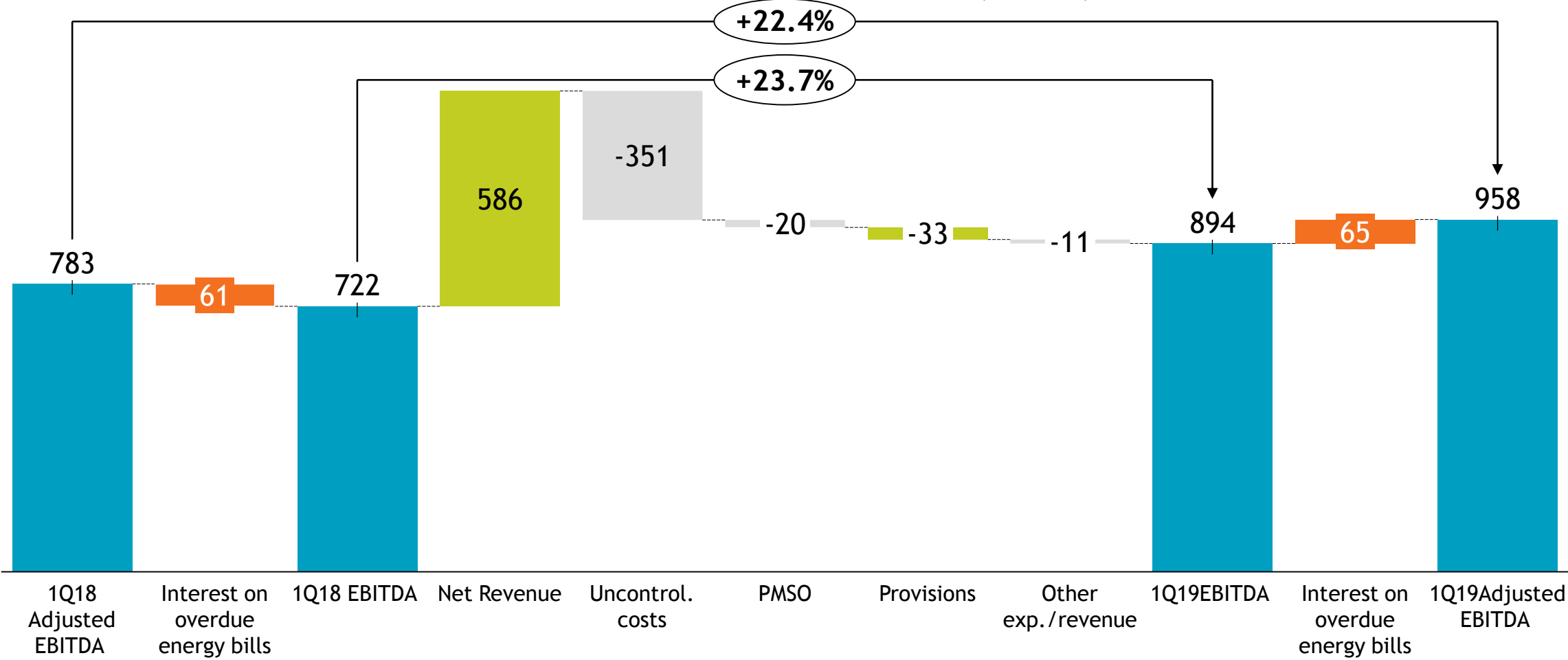
Increase of 4.2% when compared to 1Q18, in line with inflation.



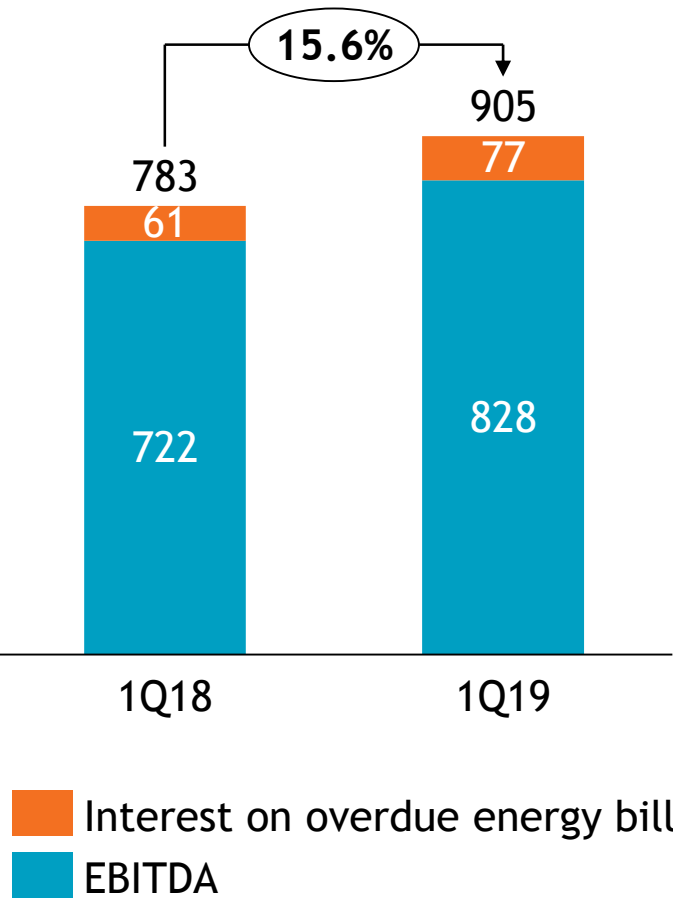
- ▶ **Personnel:** increase due to salary readjustments (+ R\$ 15.4 million); which are offset by the reduction in labor compensations (R\$ 5.1 million) and capitalization of labor (+ R\$ 11.8 million)
- ▶ **Materials and Services:** Lower expenses with consultancy which are offset by an increase in corrective and preventive maintenance
- ▶ **Others:** reduction in the fines and compensations and in increase in the settlement of civil proceedings and others.

Consolidated EBITDA

EBITDA and ADJUSTED EBITDA
Pro Forma without ERO and EAC (R\$ MN)



EBITDA and ADJUSTED EBITDA
Official/Audited (R\$ MN)



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

Description (R\$ million)	1Q19	1Q18	Change %
(=) EBITDA Pro forma	893.5	722.4	+ 23.7
(+) Non-Recurring Effects	(81.4)	(172.2)	-
(=) EBITDA (without non recurring effects)	812.1	550.2	+ 47.6

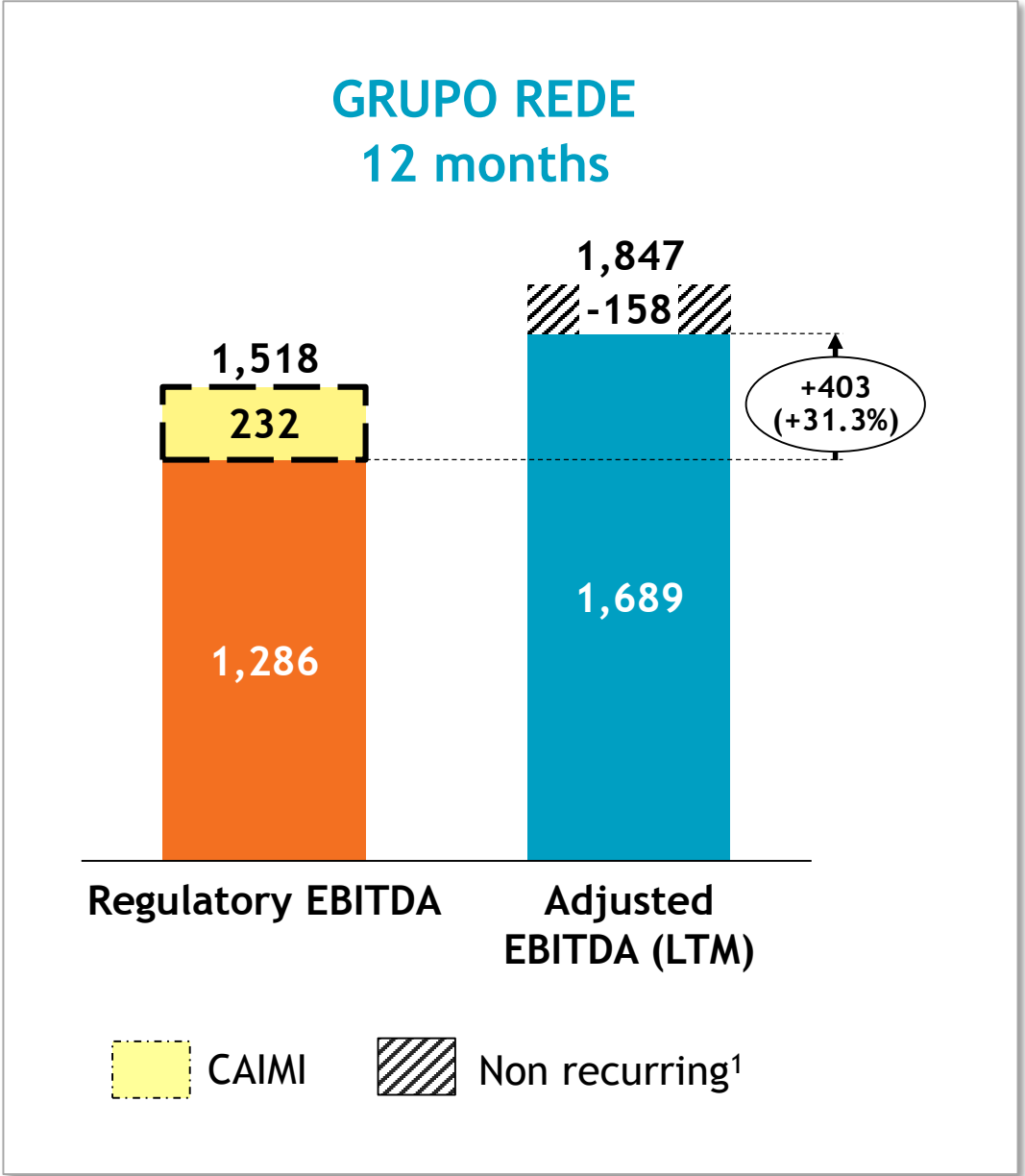
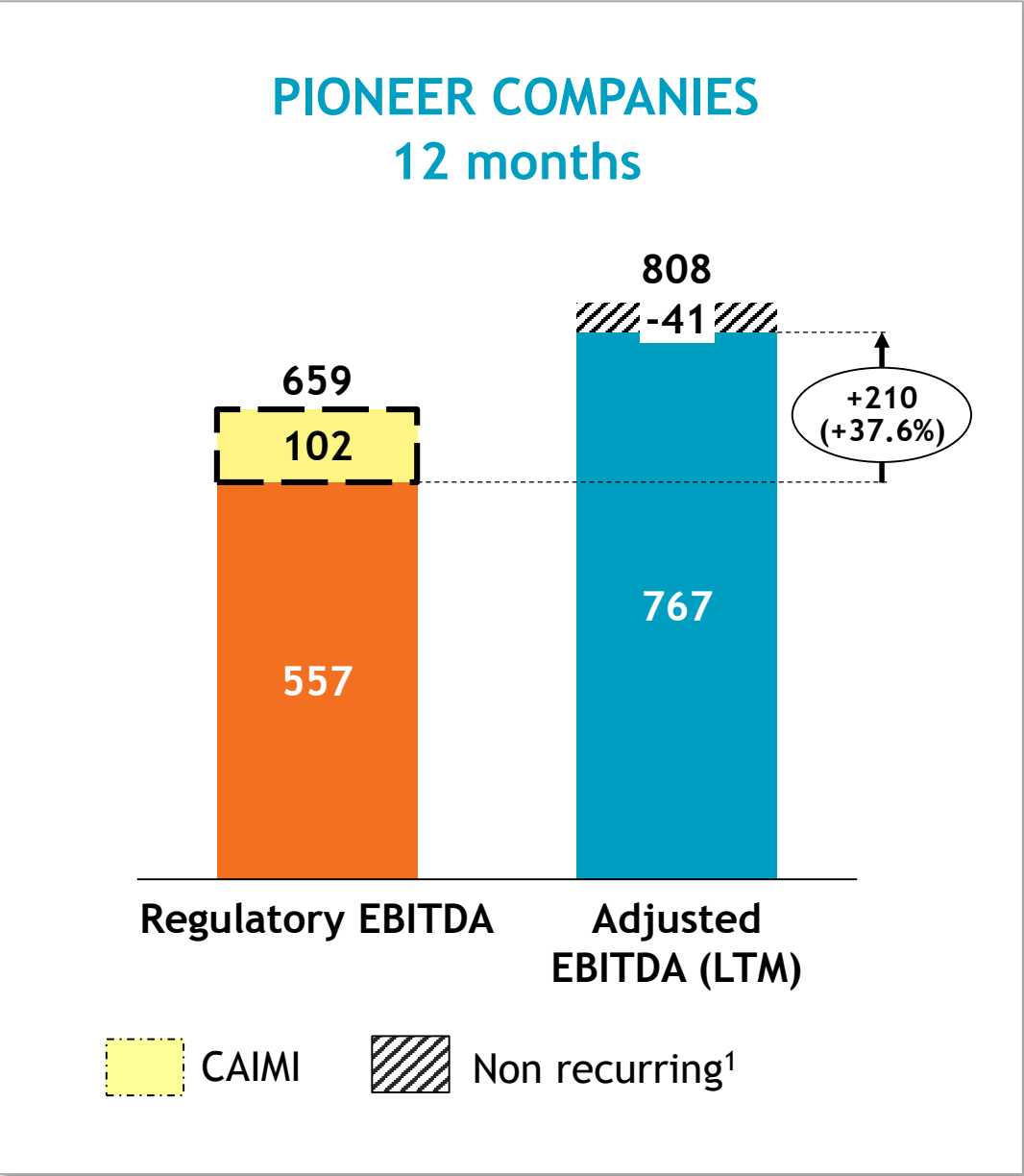
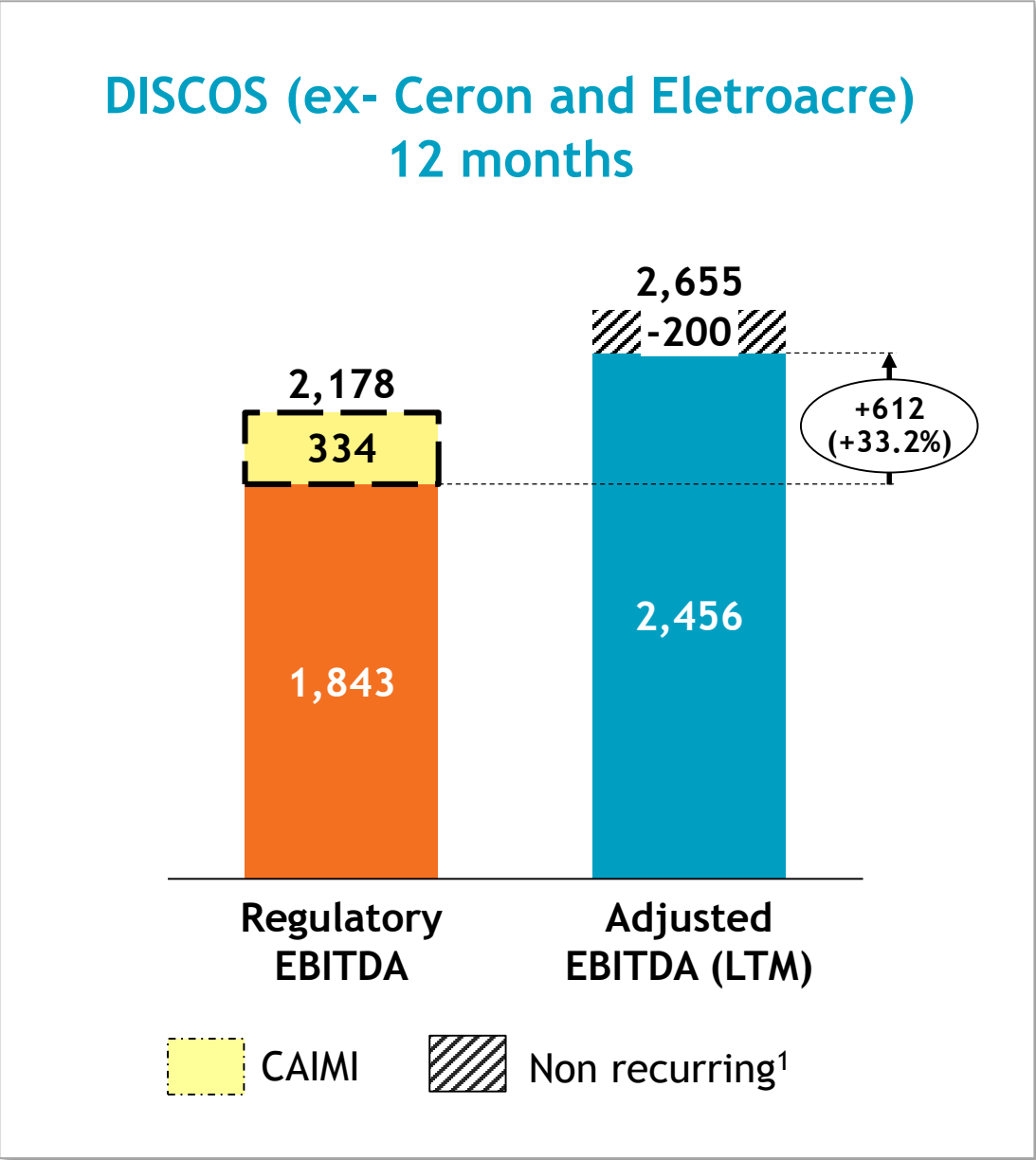
*See appendix for description of non recurring effects

Pro forma: only legacy companies, without considering Ceron and Eletroacre (unaudited)

Regulatory

Regulatory EBITDA vs. Reported EBITDA (without non recurring)

(R\$ million)

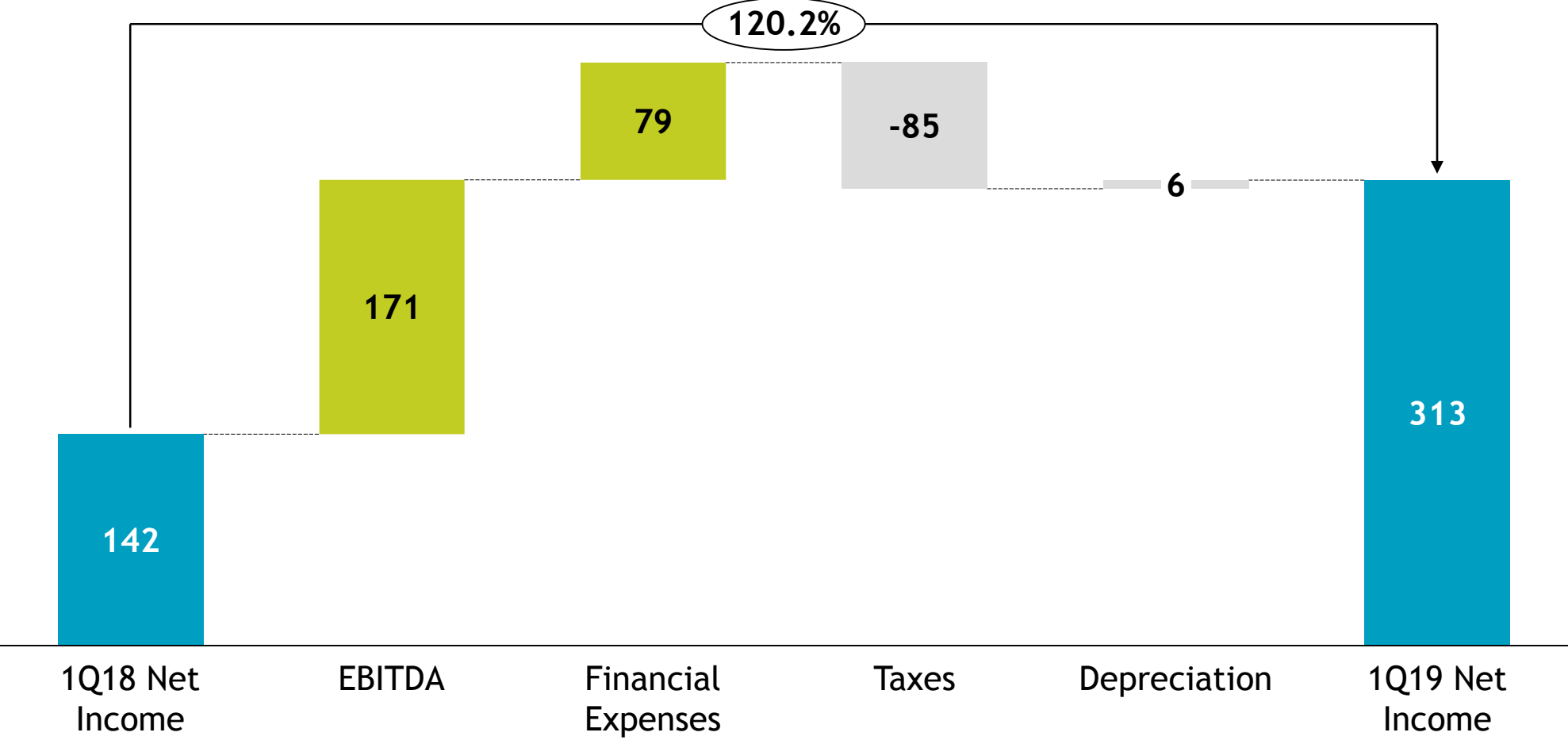


Non recurring events in the last months ended mar/19: R\$ 21.6 million (rescission costs), R\$ 224.9 million (reversal of VNR), R\$ 17.1 million (success fees at EMT) and R\$ 13.5 million (over contracting of energy).

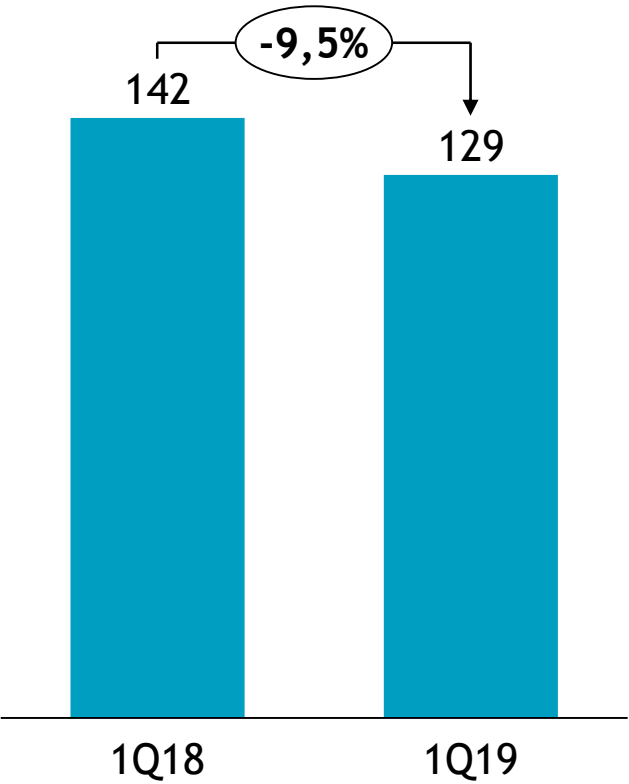
Consolidated Net Income

NET INCOME

Pro Forma without Ceron and Eletroacre (R\$ MN)



NET INCOME Official/Audited (R\$ MN)



NET INCOME EXCLUDING NON-RECURRING EFFECTS

Pro Forma (R\$ MN)

Description (R\$ million)	1Q19	1Q18	Change %
(=) Pro forma Net Income	313.2	142.3	+ 120.1
(+) Non-recurring effects	86.6	(13.4)	-
(=) Pro forma Net Income (without non-recurring effects)	399.8	128.9	+ 210.2

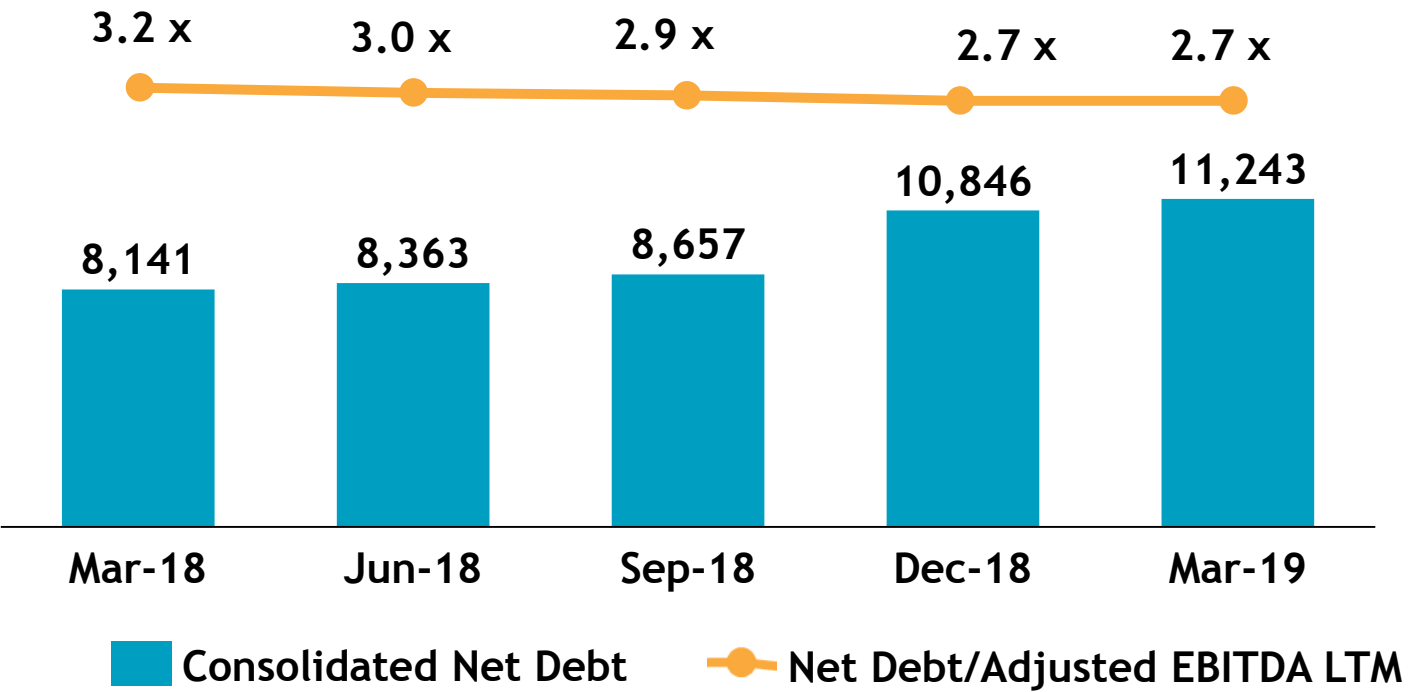
- ▶ ERO Net Loss: R\$ 142.2 milhões
- ▶ EAC Net Loss: R\$ 10.6 milhões

*See appendix for description of non recurring effects

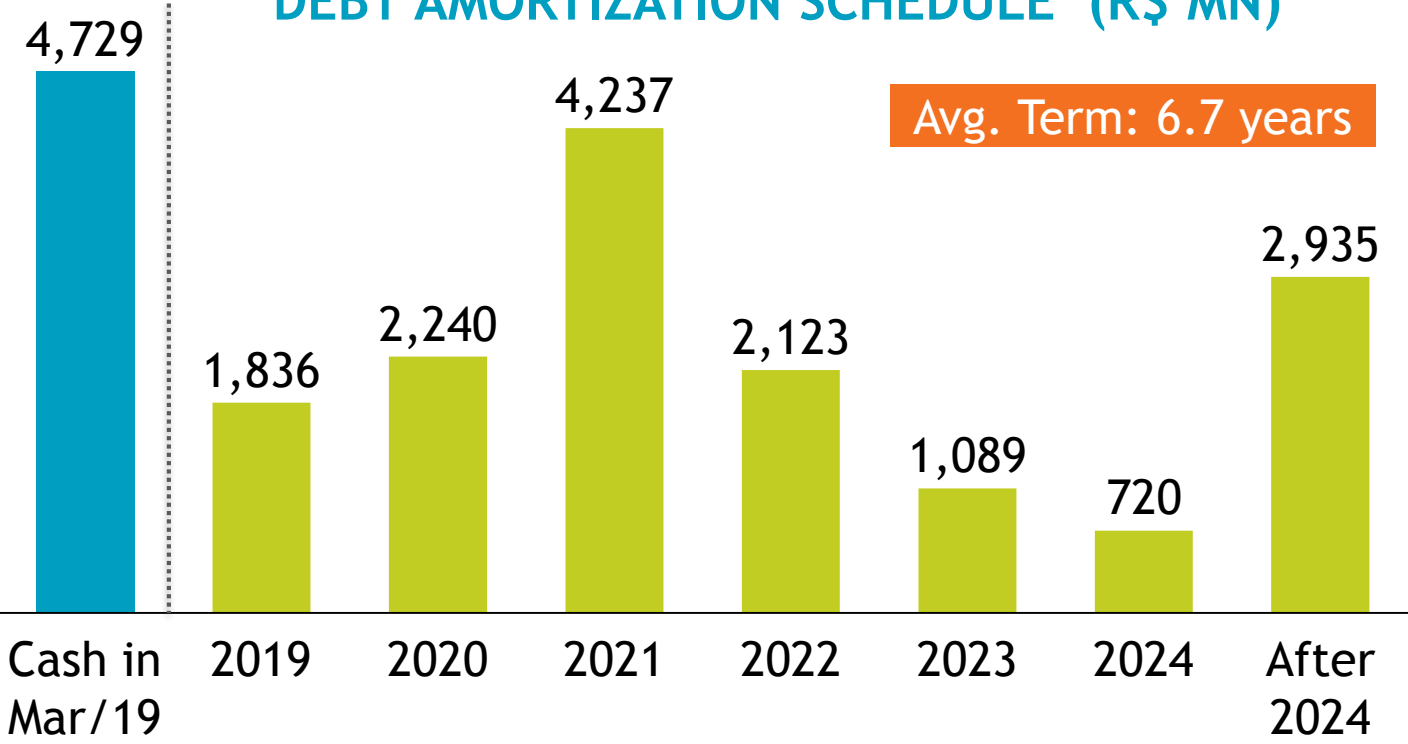
Pro forma: only legacy companies, without considering Ceron and Eletroacre (unaudited)

Indebtedness

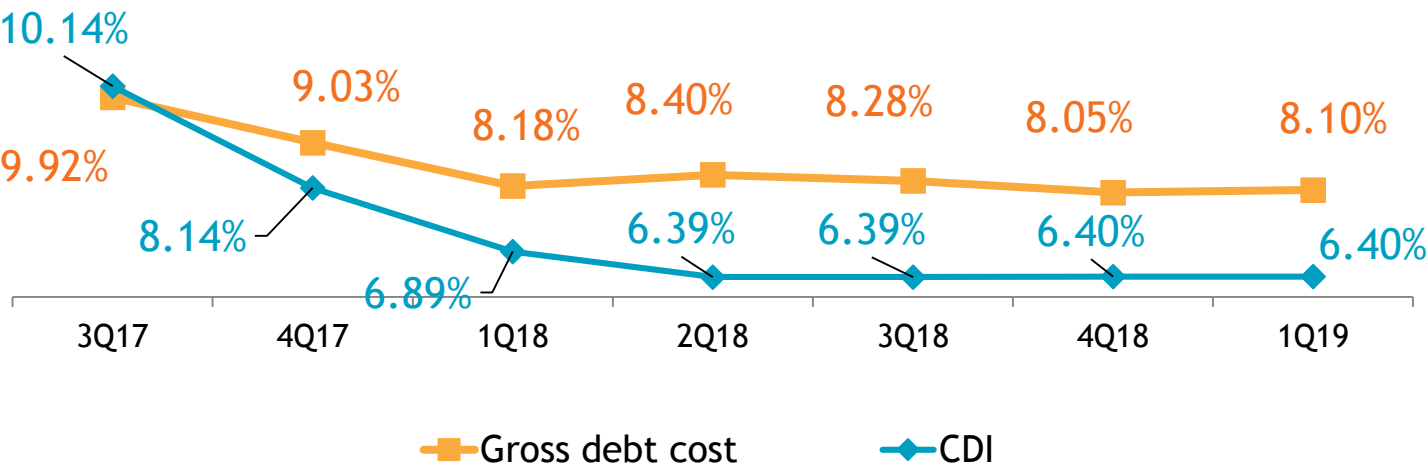
DEBT



DEBT AMORTIZATION SCHEDULE (R\$ MN)



GROSS DEBT COST

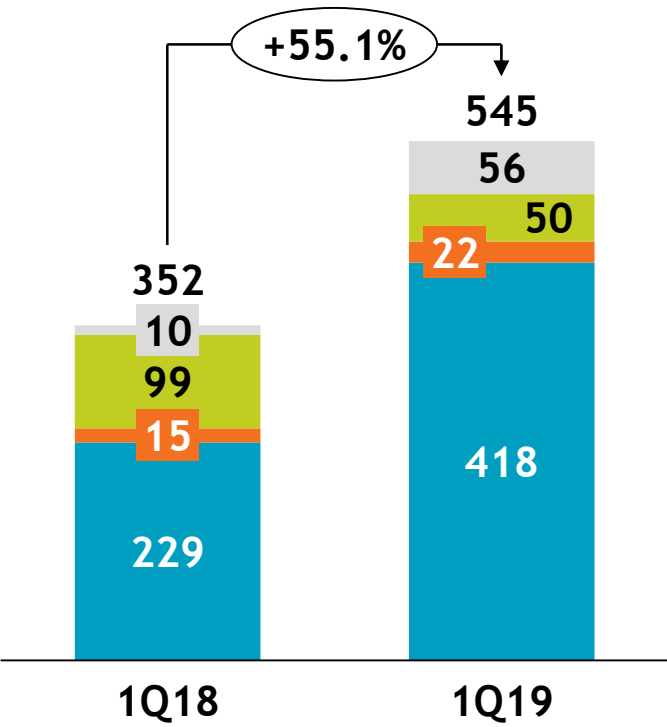


RATINGS

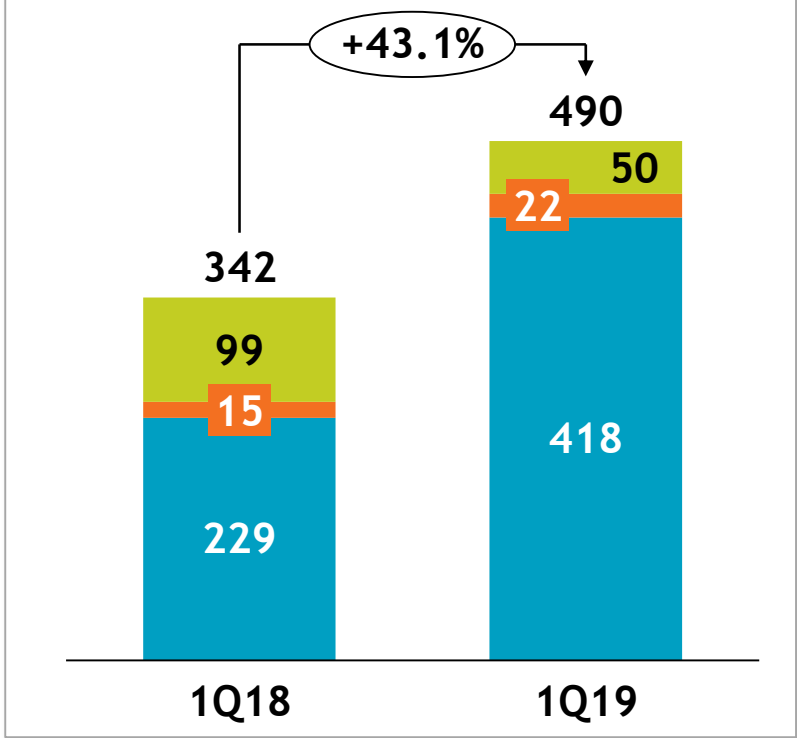
Agency	Domestic Rating/Outlook	Global Rating/Outlook
Standard & Poor's	brAAA (stable)	BB- (stable)
Moody's	Aa2.br (stable)	Ba2 (stable)
Fitch Ratings	AAA (bra) (stable)	BB+ (stable)

Investments

CONSOLIDATED (R\$ MN)

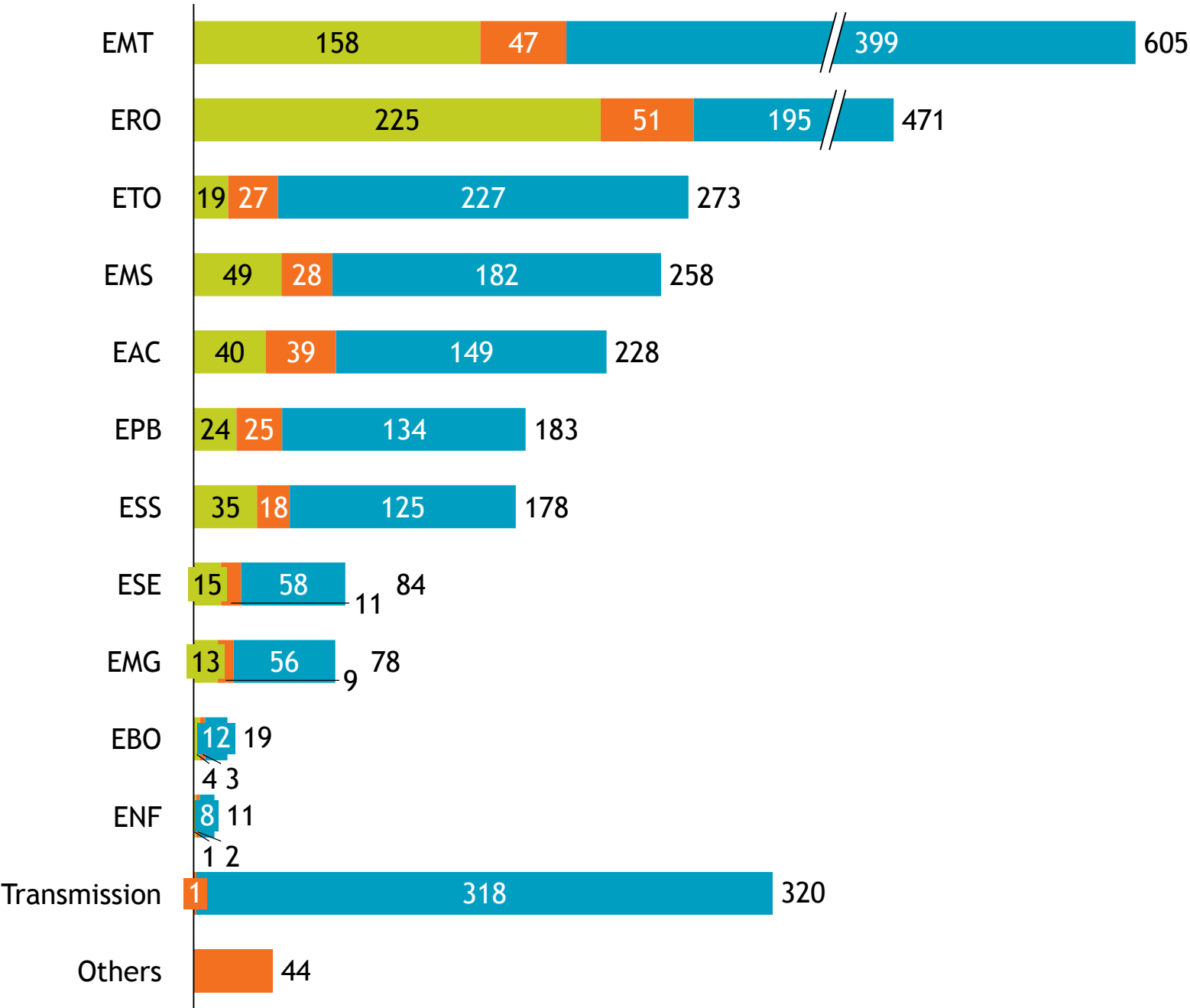


DISCOS (R\$ MN)



Others
Special Obligations
Non-electric Assets
Electricity Assets

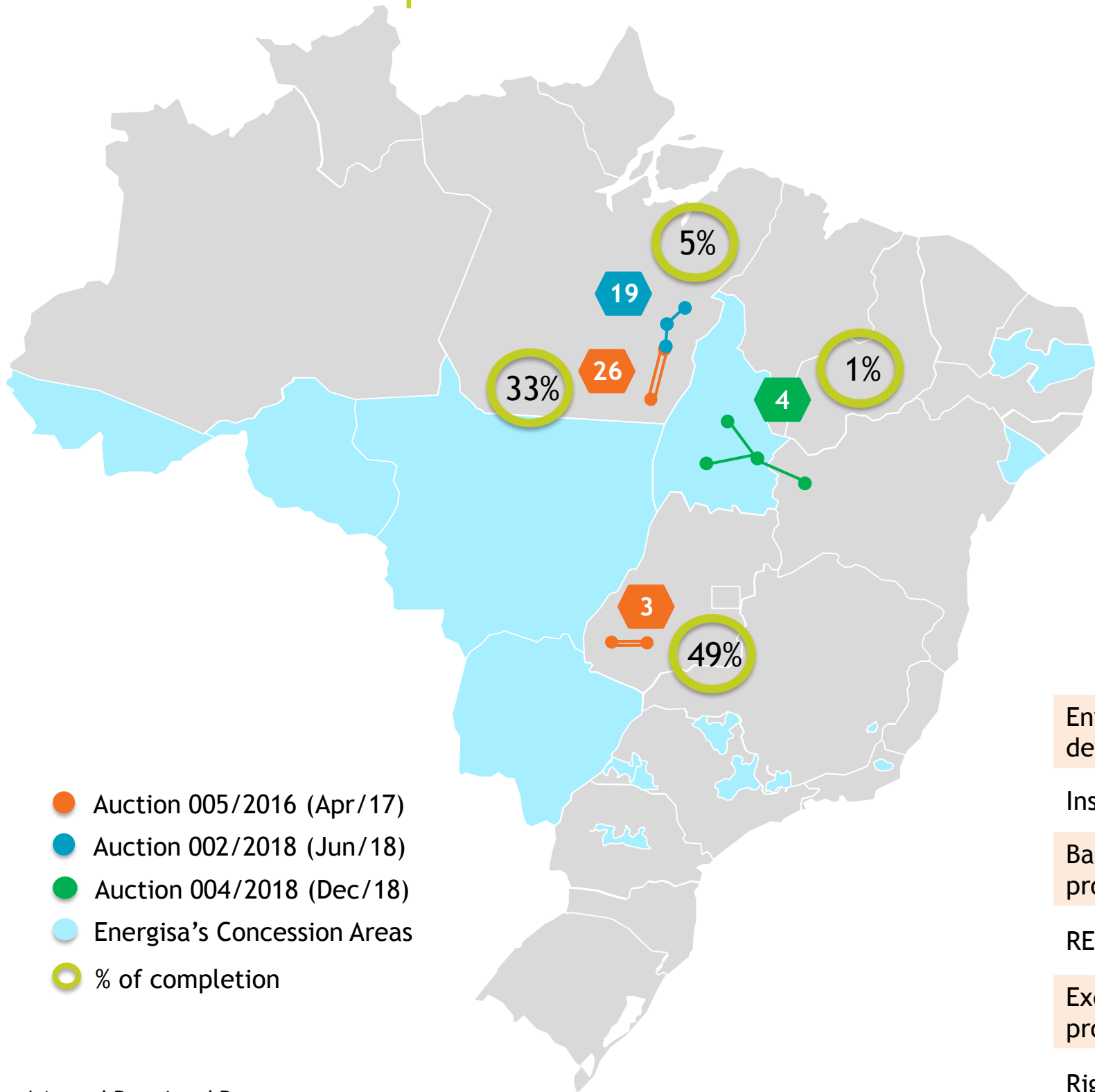
2019 Investments (R\$ MN)



- Total: 2,752 million
- Discos: R\$ 2,389 million
 - ✓ Electric Assets: R\$ 1,545 million;
 - ✓ Non-electric Assets: R\$ 262 million;
 - ✓ Special Obligations: R\$ 582 million

Transmission

Licenses and protocols in accordance with the planned schedule



	Block 03 Energisa Goiás Transmissora I	Block 26 Energisa Pará Transmissora I	Block 19 Energisa Pará Transmissora II	Block 4 Energisa Tocantins Transmissora
Auction Date	Apr/17	Apr/17	Jun/18	Dec/18
Location	Goiás	Pará	Pará	Tocantins
Extension	136 km (CD)	296 km (CD)	139 km	772 km
Expected Capex	R\$ 269 million	R\$ 301 million	R\$ 369 million	R\$ 602 million
RAP* Awarded	R\$ 39 million	R\$ 50 million	R\$ 34 million	R\$ 64 million
Beginning of operations (estimated Aneel)	Until Aug/2021	Until Feb/2022	Until Mar/2023	Until Mar/2024
Expected anticipation	12 months		12 months	14 months

	STATUS			
Environmental studies development	✓	✓	🕒	🕒
Installation License	✓	✓	✓	🕒
Basic Engineering project protocol	✓	✓	✓	🕒
REIDI** granted	✓	✓	✓	🕒
Executive Engineering project development	🕒	🕒	🕒	🕒
Right of way negotiations	✓	🕒	🕒	🕒

* Annual Permitted Revenue
** PIS/COFINS Tax Benefit
RAP and CAPEX adjusted by IPCA (Mar/19)

Signing of contract for the control acquisition of Alsol

- ✓ Alsol is a company headquartered in Uberlândia (MG), focused on Distributed Energy Resources through renewable energy
- ✓ On May 6, 2019, Energisa signed a Stock Purchase Agreement to acquire Alsol's control for R\$ 11.7 million, subject to change;
- ✓ The operation is subject to suspensive conditions, such as approval by the Administrative Council for Economic Defense - CADE. However, when finalized, the shareholding structure will be the following:



Distributed Energy Resources (DER)



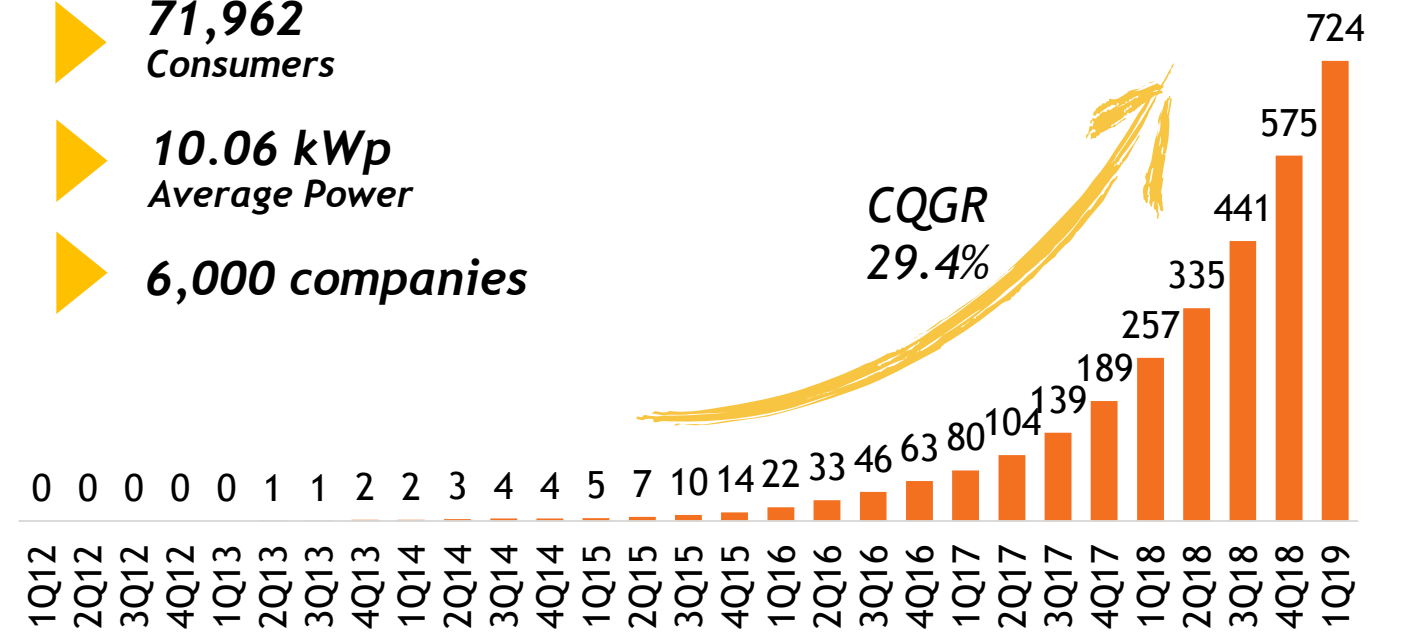
Distributed Energy Resources in Brazil

Distributed Energy Resources at Alsol

The market has been developing, but is still pulverized

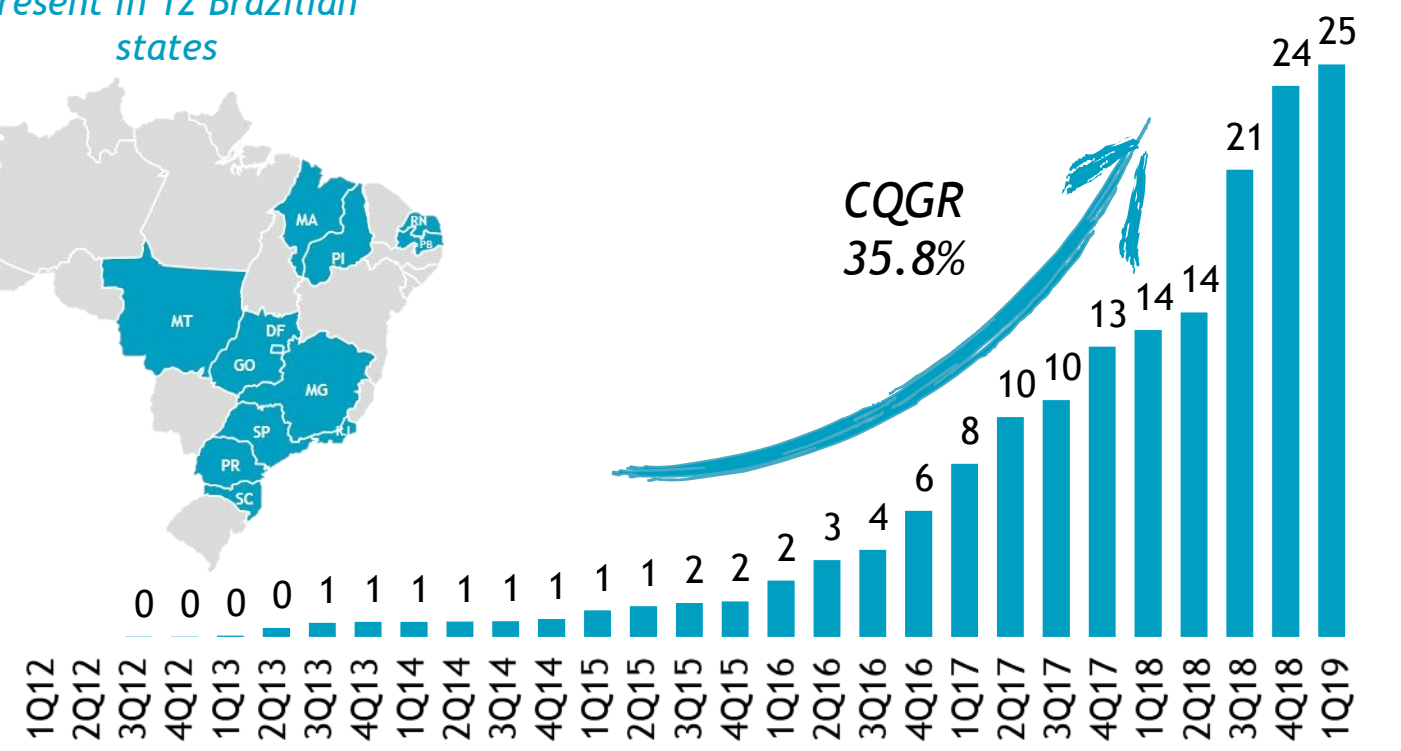
Installed Capacity - Aneel (MW)

- ▶ **71,962 Consumers**
- ▶ **10.06 kWp Average Power**
- ▶ **6,000 companies**



Installed Capacity - Alsol (MW)

Present in 12 Brazilian states

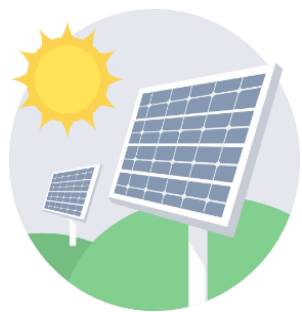


Alsol Energias Renováveis

Small company, with a high potential, which will accelerate Energisa's entrance to a Market that tends to grow significantly in the upcoming years

25 MWp

Solar Distributed Energy



90 thousand solar panels under operation

531

Consumers



2.0 MW

Biogas



300 KW

Biodiesel



1.5 MW

Storage



R\$ 1.5 million

Net Profit



R\$ 51 million

Net Revenue

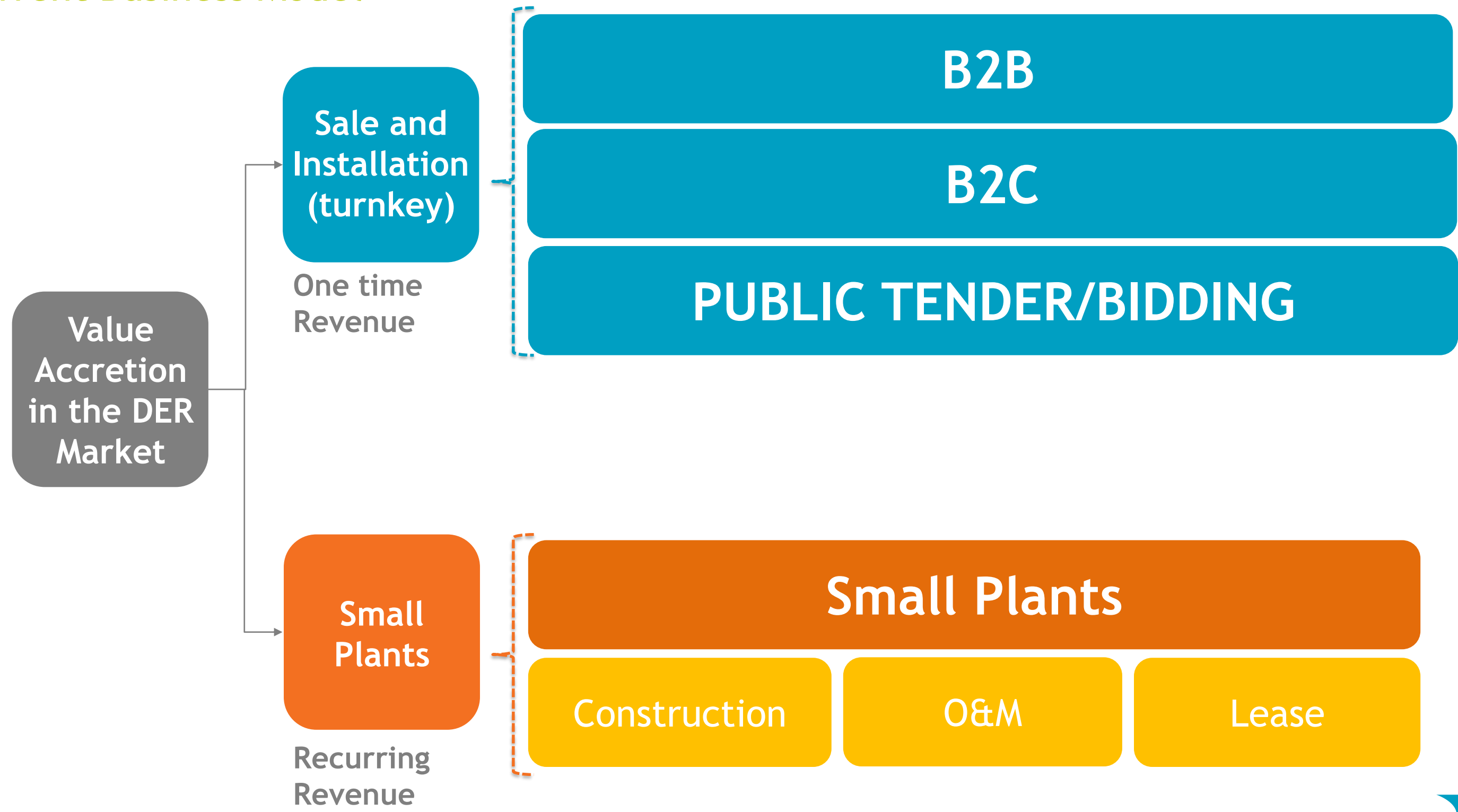


66
Own employees



Alsol Energias Renováveis

Current Business Model



Thank you

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Appendix

Pro forma EBITDA without non-recurring (R\$ million)

Consolidated

Description Amounts in R\$ million	Quarter		
	1Q19	1Q18	Change %
(=) Pro forma EBITDA (exc. ERO and EAC)	893.5	722.4	+23.7
(+) Rescission Costs	6.2	5.3	+ 17.0
(-) Concession financial asset (VNR)	74.1	132.7	- 44.2
(-) Re-recording of CVA (EMT and EMS)	-	44.8	-
(-) Energy Over contracting	13.5	-	-
(=) EBITDA without non-recurring effects (exc. ERO and EAC)	812.1	550.2	+ 47.6

Per Company

1Q19 (R\$ milhões)	EMG	ENF	ESSE	EBO	EPB	EMT	EMS	ETO	ESS	ESA	Other Companies	Consolidated
(=) EBITDA	35.3	9.2	66.8	13.3	118.2	236.8	182.3	67.5	59.2	11.2	93.7	893.5
(+) Rescission costs	-	-	0.5	-	0.8	1.9	1.0	0.7	0.4	0.5	0.4	6.2
(-) Concession financial asset (VNR)	0.3	-	5.2	0.8	6.9	26.6	11.5	13.7	0.6	-	8.5	74.1
(-) Energy Over contracting	-	-	1.4	0.8	5.8	-	9.0	(3.1)	(0.4)	-	-	13.5
(=) EBITDA without non-recurring effects	35.0	9.2	60.6	11.7	106.3	212.1	162.8	57.6	59.4	11.7	85.6	812.1

Appendix

Pro forma net income without non-recurring (R\$ million)

Consolidated

Description (R\$ thousand)	Quarter		
	1Q19	1Q18	Change %
(=) Pro forma net income (exc. Ceron and Eletroacre)	313.2	142.3	+ 120.1
(+) Rescission costs	4.8	4.0	+ 21.7
(+) Mark-to-market of 7 th issuance debentures	118.0	107.4	+ 9.9
(-) Re-recording of CVA (EMT and EMS)	-	40.0	-
(-) Reversal of the provision for compensable financial assets (EMT, EMS and ESE)	-	84.8	-
(-) Reversal of provision for the present value adjustment of credits receivable from Tocantins state	26.4	-	-
(-) Energy Over contracting	9.8	-	-
(=) Net income without non-recurring effects (exc. Ceron and Eletroacre)	399.8	128.9	+ 210.2

Per Company

1Q19 (R\$ milhões)	EMG	ENF	ESE	EBO	EPB	EMT	EMS	ETO	ESS	ESA	Other Companies	Consolidated
(=) Pro forma net income	16.3	4.9	40.3	6.5	86.2	119.0	98.6	37.4	31.3	-167.0	39.7	313.2
(+) Rescission costs	-	-	0.4	-	0.7	1.6	0.6	0.6	0.3	0.4	0.2	4.8
(+) Mark-to-market of 7 th issuance debentures	-	-	-	-	-	-	-	-	-	118.0	-	118.0
(-) Reversal of provision for the present value adjustment of credits receivable from Tocantins state	-	-	-	-	-	-	-	-	-	26.4	-	26.4
(-) Energy Over contracting	-	-	1.2	0.7	4.9	-	5.9	(2.6)	(0.3)	-	-	9.8
(=) Net income without non-recurring effects	16.3	4.9	39.5	5.8	82.0	120.6	93.3	40.6	31.9	-75.0	39.9	399.8