3Q18 **RESULTS**

NOVEMBER, 2018



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equatorial ENERGIA

3Q18 Highlights

SPVs 1, 2 & 3 obtain their Construction License; PDA represents 0.2% and 1.3% of the GOR in Cemar and Celpa



M&A in Transmission segment, Cepisa's closing and SPVs progress

- Equatorial acquires the remaining stake of Intesa (49%).
- **SPVs 1, 2 and 3** (lots 08, 09 and 12 from Oct-16 auction) received their Construction License from IBAMA.
- In Oct-18, **Equatorial concluded the acquisition of Cepisa's controlling stake** and increased R$ 721 million in equity.



Total electricity sales volume amounted to 3,812 GWh

- Weak economic growth determined the drop of 0.1% in CEMAR's market.
- At **CELPA**, the volumes fell by 3.1% due to the unfavorable weather conditions and the growth in energy losses.



PDA

- **CEMAR**: Due to the strengthening of deliquency combat, PDA/GOR fell to 0.2%.
- **CELPA**: The ratio of PDA/GOR fell to 1.3% in the quarter.



Consolidated Adj EBITDA of R$ 576 million

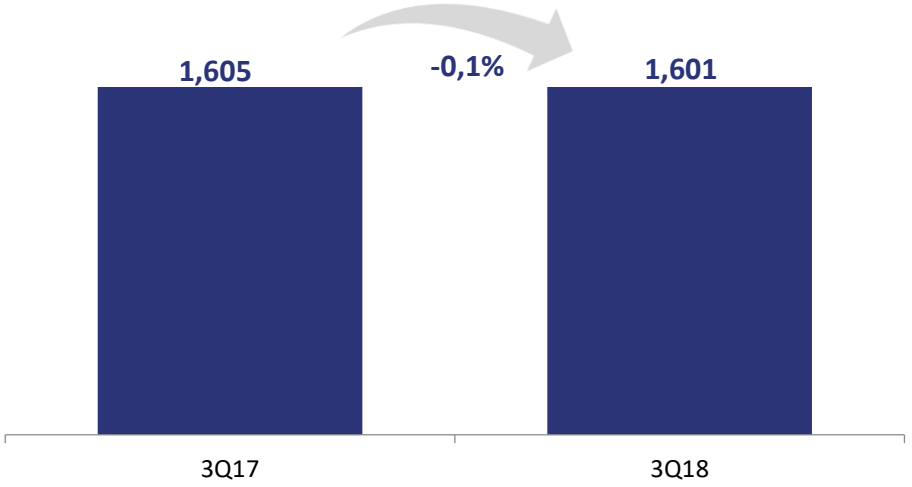
- **CEMAR**: Tariff Review and reduction in PDA explain the increase of 18.9% in the Consolidated Adjusted EBITDA.
- **CELPA**: Adj EBITDA growth of 7.5% yoy, due to PDA drop and the financial asset update increase.

OPERATING PERFORMANCE

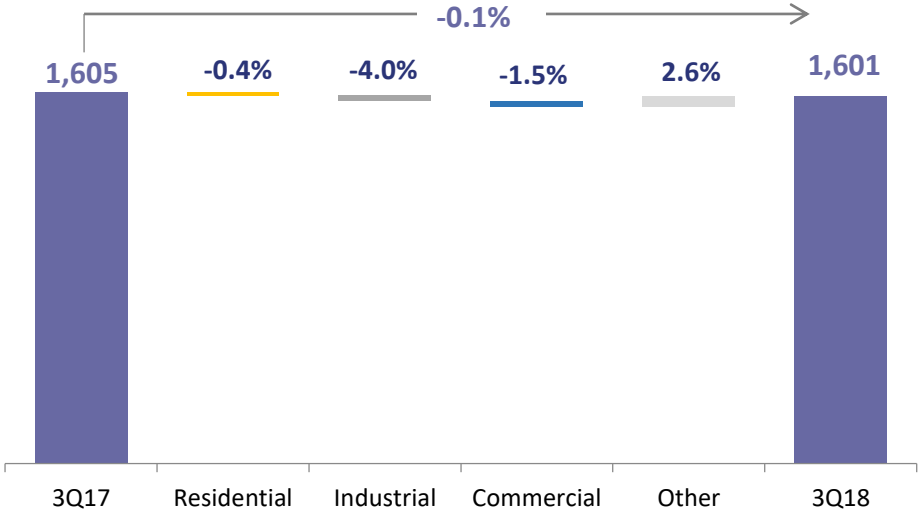


Energy Market

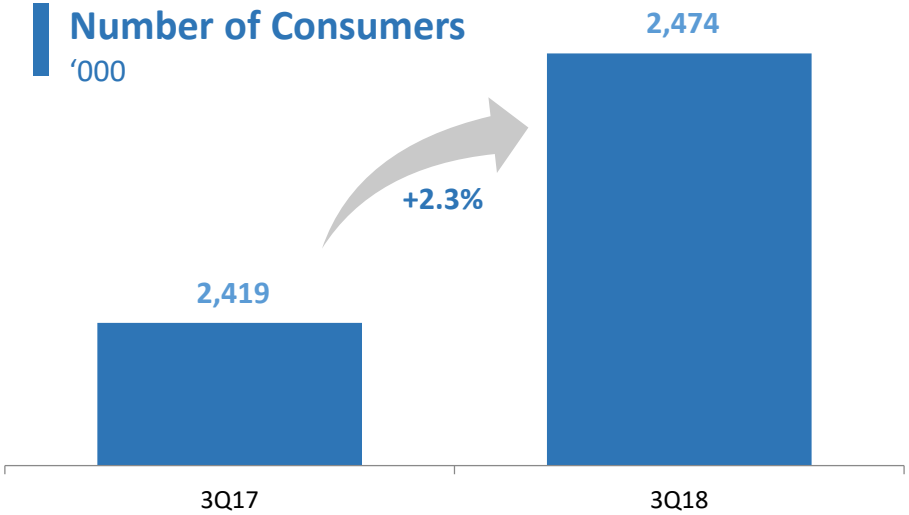
Energy Sales
GWh



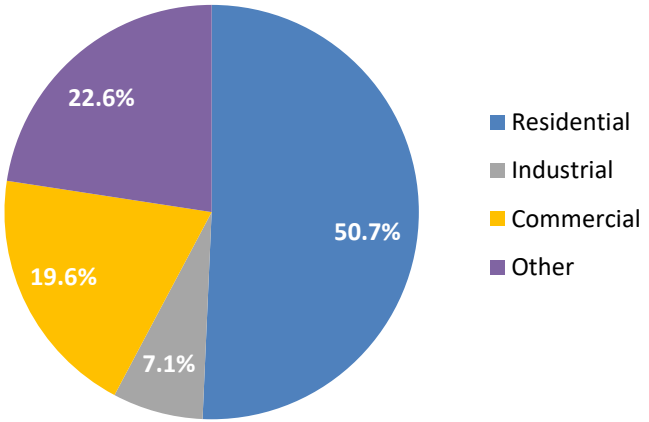
Comparison of Sales by Segment (captive + free)
GWh



Number of Consumers
'000



Sales by Segment (captive + free)
% GWh

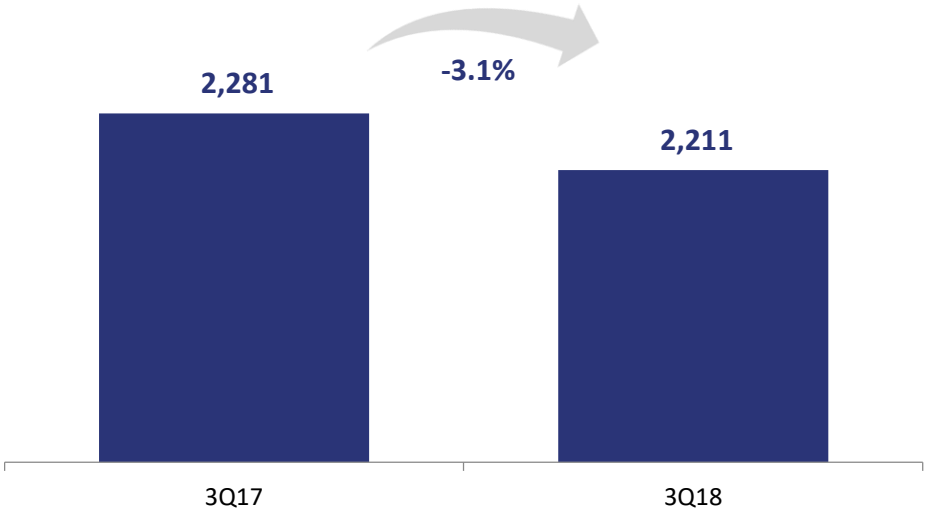


CELPA

Energy Market

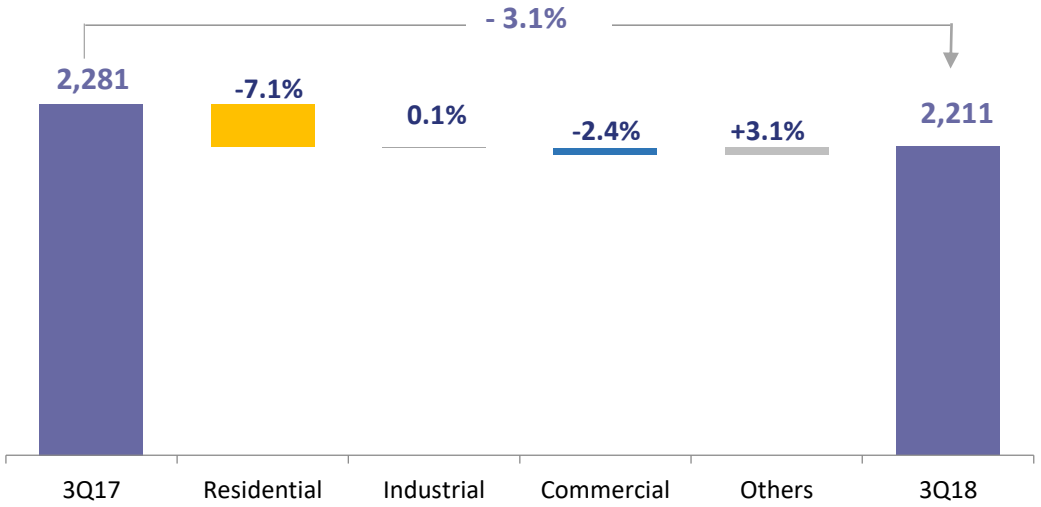
Energy Sales

GWh



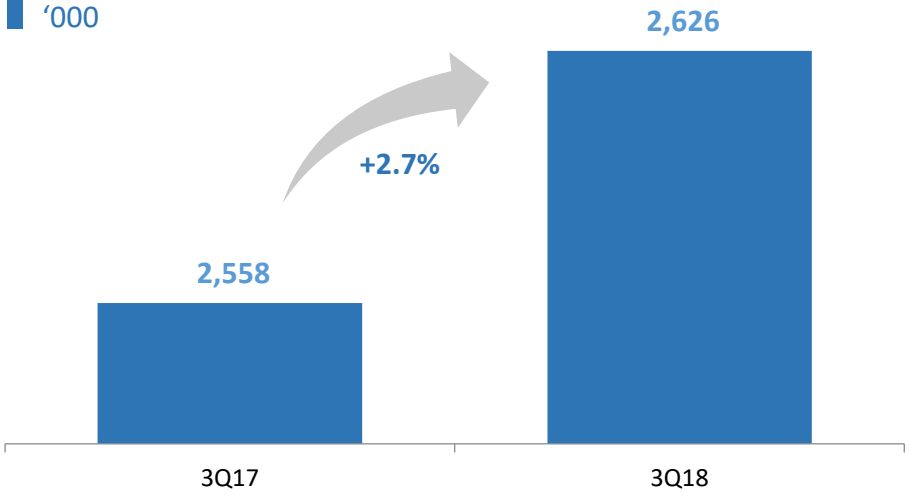
Comparison of Sales by Segment (captive + free)

GWh



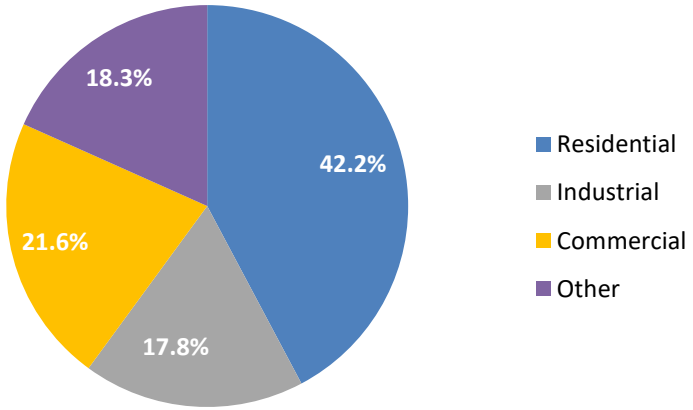
Number of Consumers

'000



Sales by Segment (captive + free)

% GWh



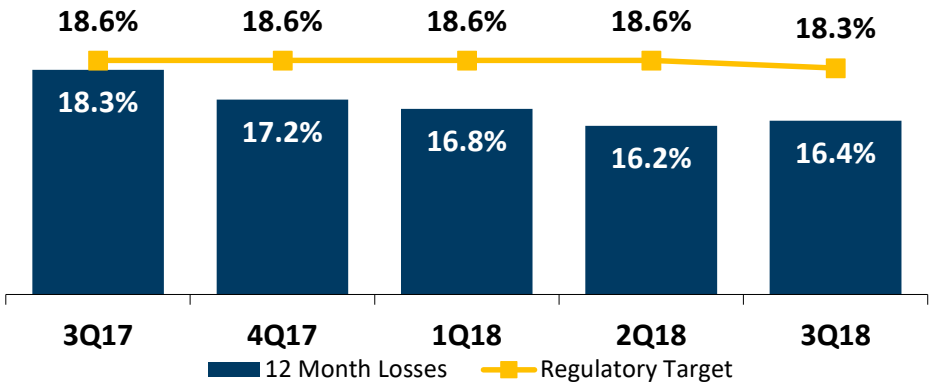
CEMAR

Energy Losses and Quality Indicators

Quality indicators remain substantially below the regulatory target

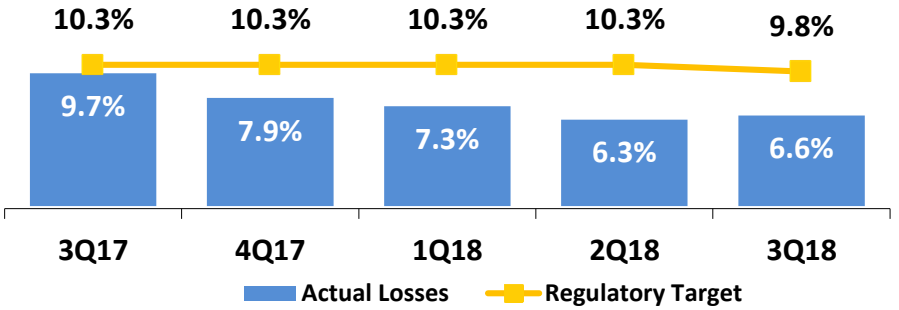
Total Losses over Required Energy

Last 12 months



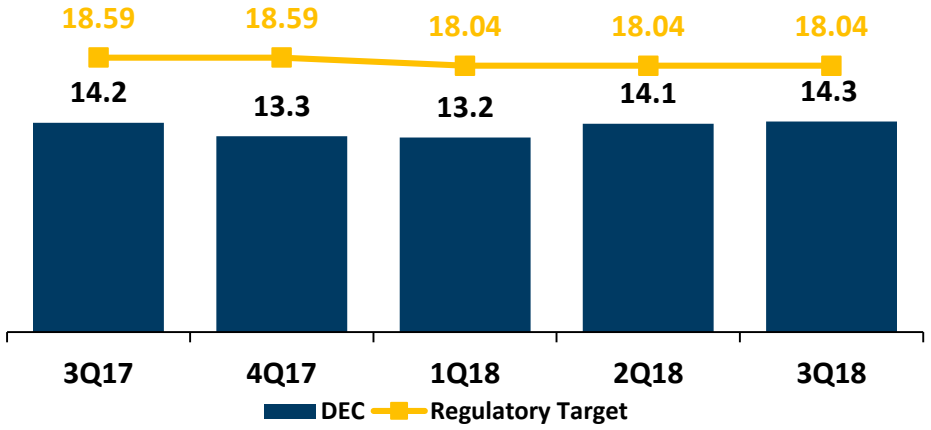
Non-Technical Losses over Low Voltage Market

Last 12 months



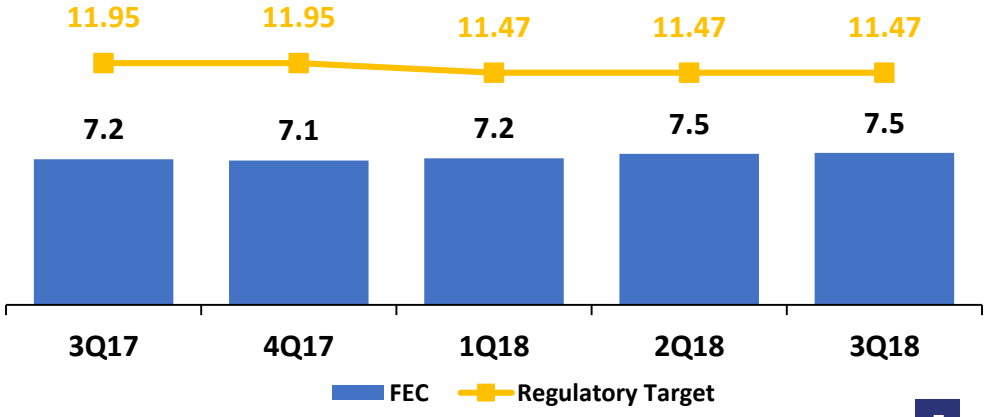
DEC

hrs/year/consumer – 12 months



FEC

x/year/consumer – 12 months



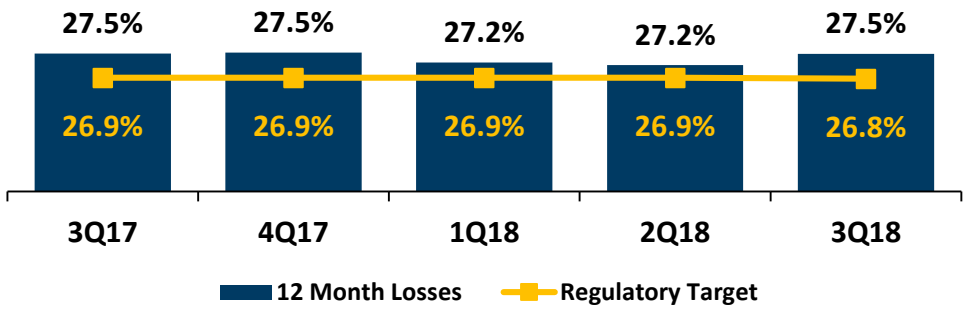
CELPA

Energy Losses and Quality Indicators

Quality Indicators in constant improvement

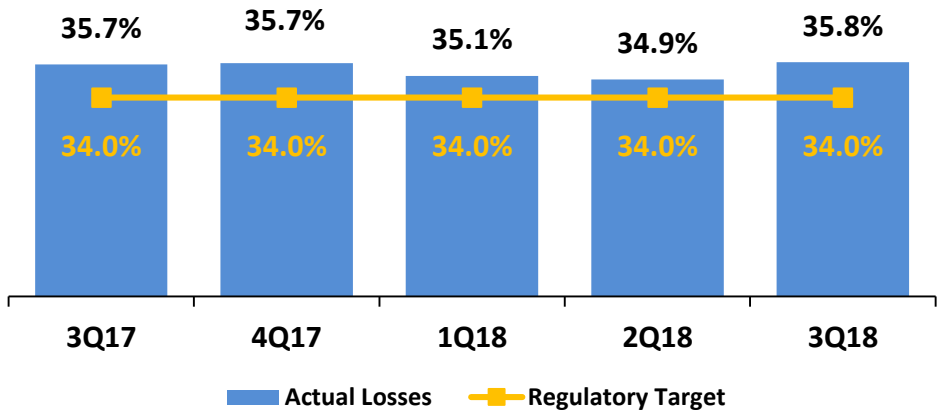
Total Losses over Required Energy

Last 12 months



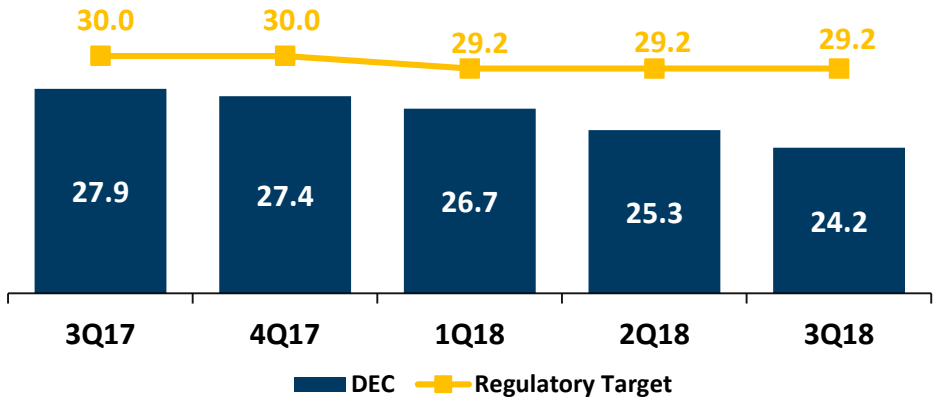
Non-Technical Losses over Low Voltage Market

Last 12 months



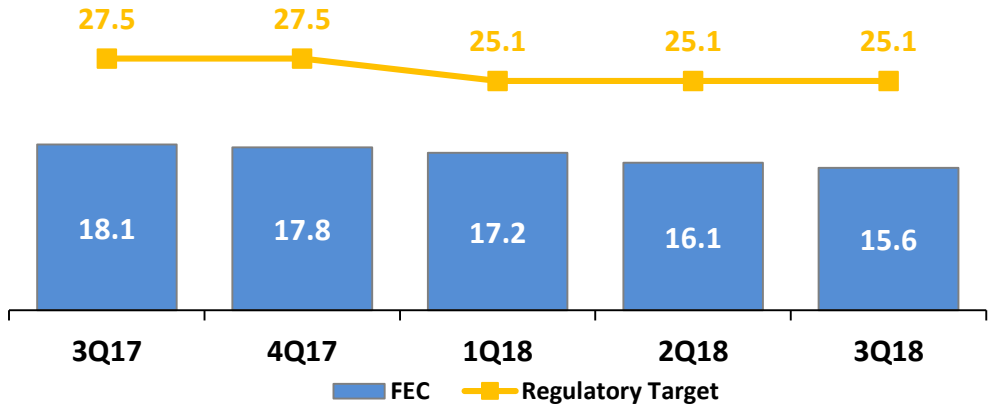
DEC

hrs/year/consumer – 12 months



FEC

x/year/consumer – 12 months

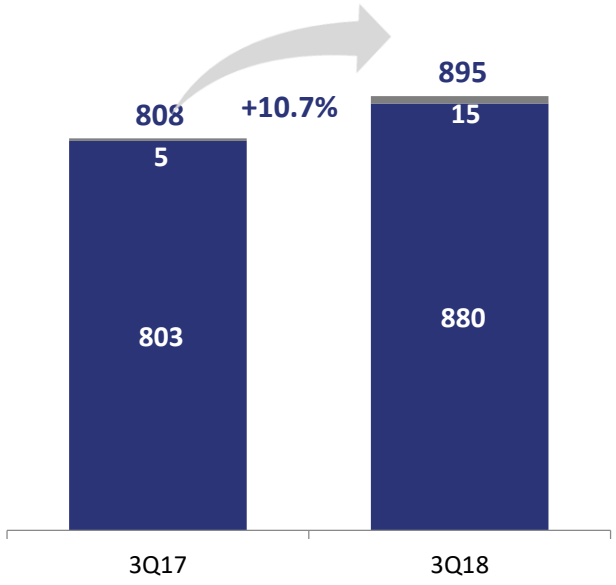


FINANCIAL PERFORMANCE

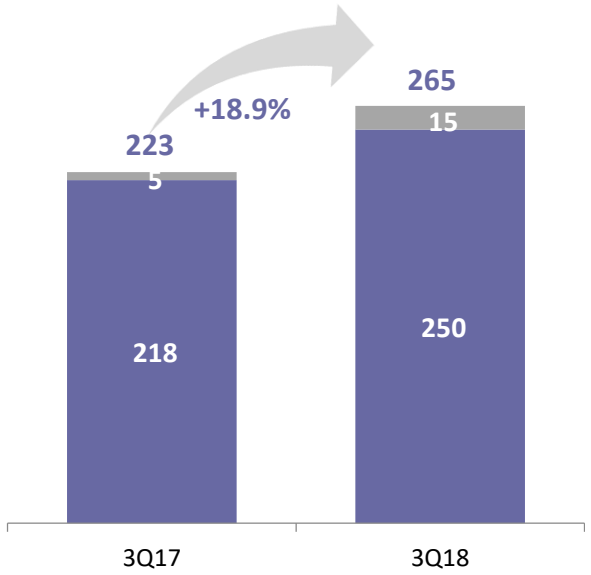


Results

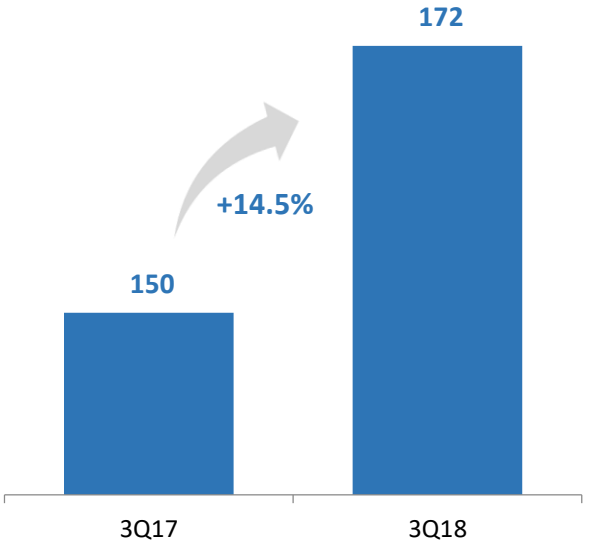
Net Revenues
(R$ MM)[1]



Adjusted EBITDA
(R$ MM)



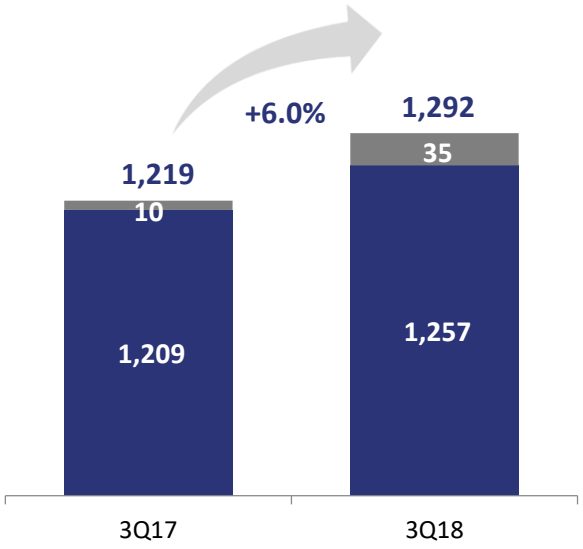
Adjusted Net Income
(R$ MM)



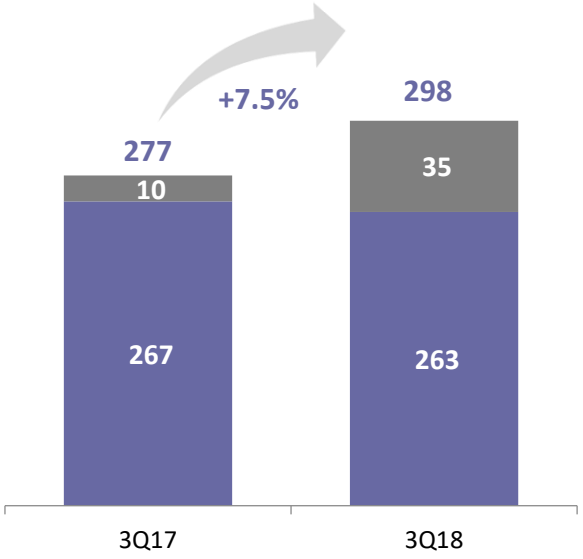
Note:
1. Excluding Construction Revenues

Results

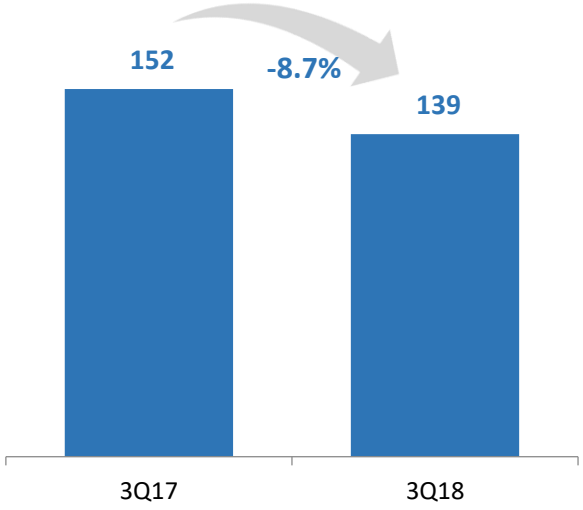
Net Revenues
(R$ MM)[1]



Adjusted EBITDA
(R$ MM)



Adjusted Net Income
(R$ MM)

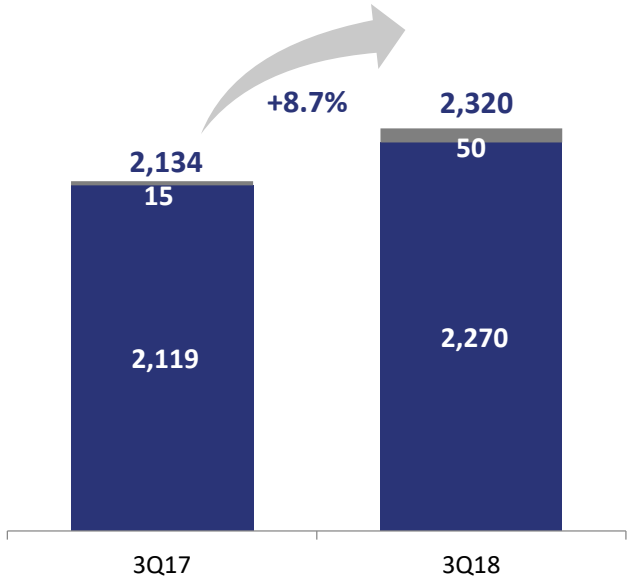


Financial Asset Update

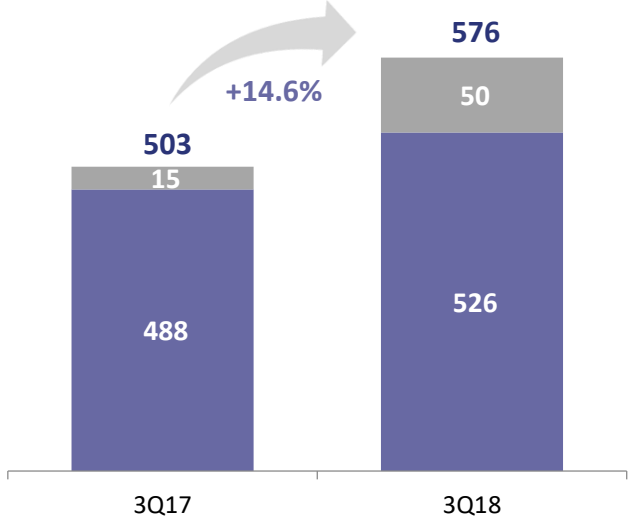
Note:
1. Excluding Construction Revenues

Equatorial Consolidated

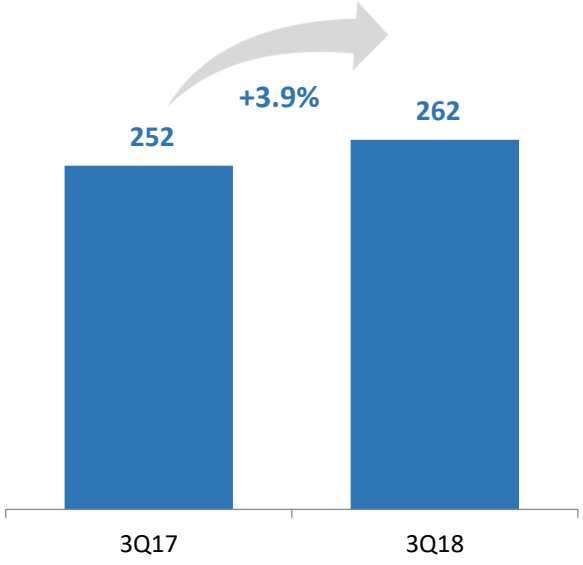
Net Revenues
(R$ MM)[1]



Adjusted EBITDA
(R$ MM)



Adjusted Net Income
(R$ MM)

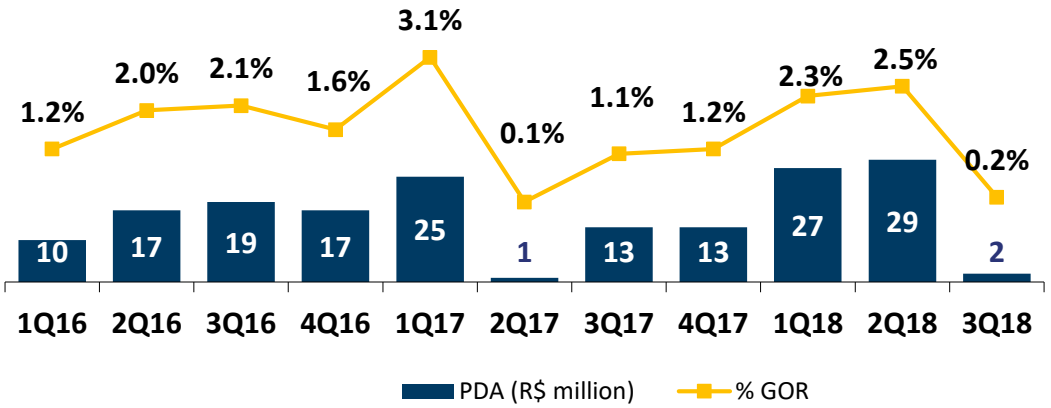


Financial Asset Update

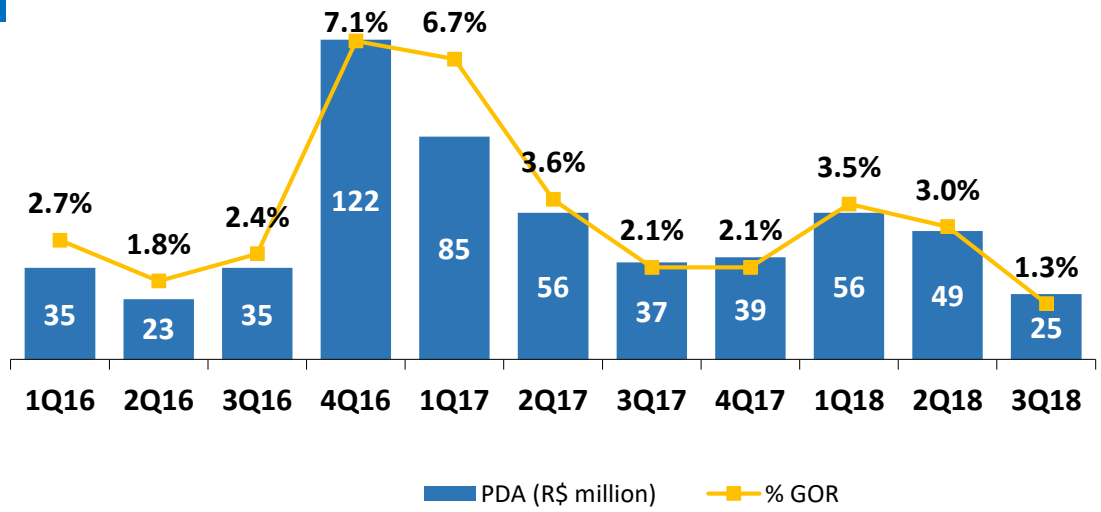
Note:
1. Excluding Construction Revenues

PDA

CEMAR



CELPA

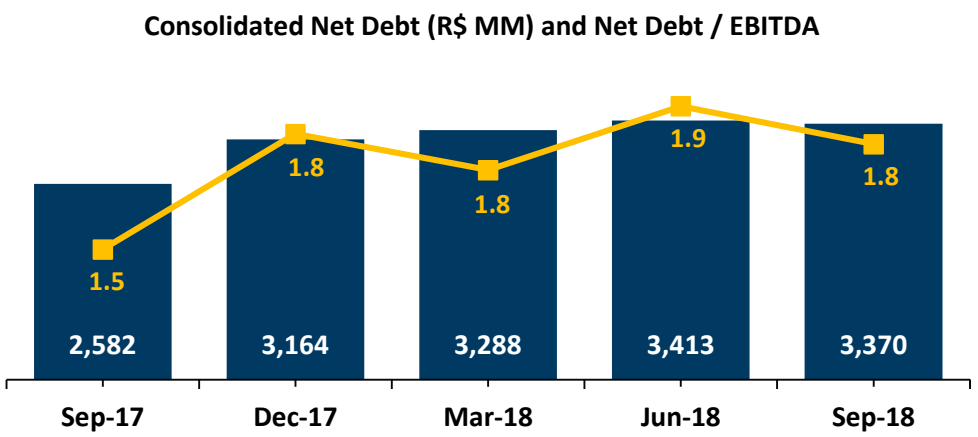


- Increase in the number of power cuts
- Increase in the automated collection procedures
- Reassessment of the client's collection rating
- Shorter delinquency notice for indebted clients
- Debt renegotiation campaigns

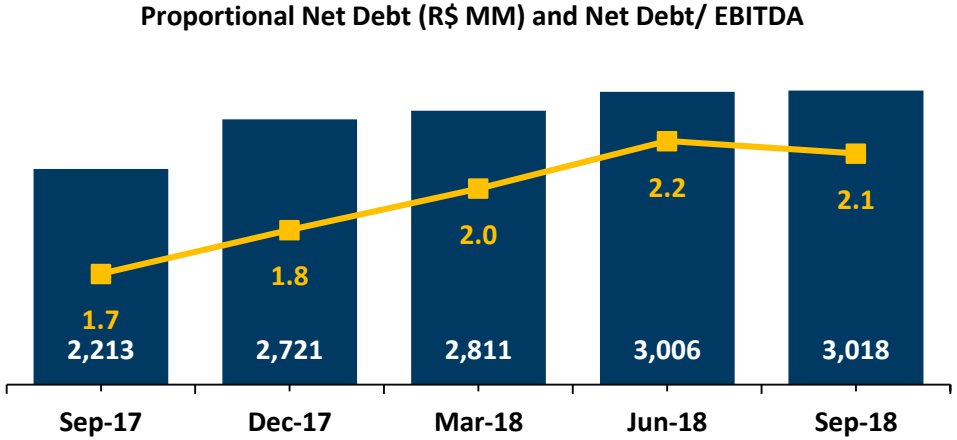
Debt

Financial soundness to fund the next investment cycle

Cons. Net Debt and Net Debt/EBITDA LTM
(R$ MM)[1]



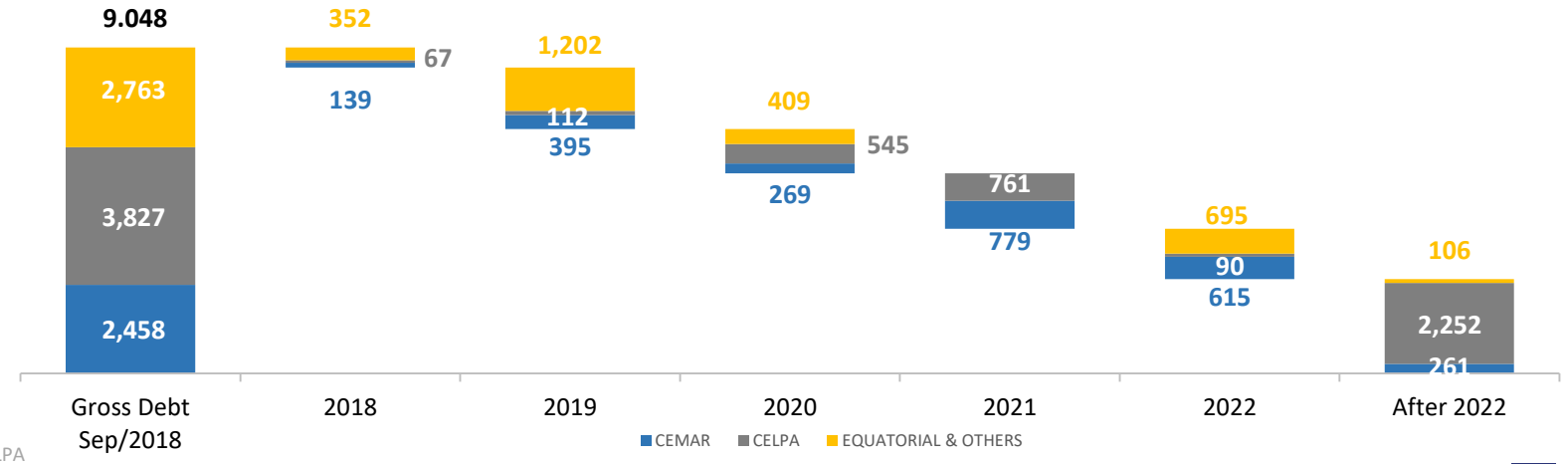
Pro-rata Net Debt and Net Debt/EBITDA LTM
(R$ MM)[2]



Debt Maturity Profile
(R$ MM)

Consolidated cash
Sep 30, 2018

R$ 4,754 million

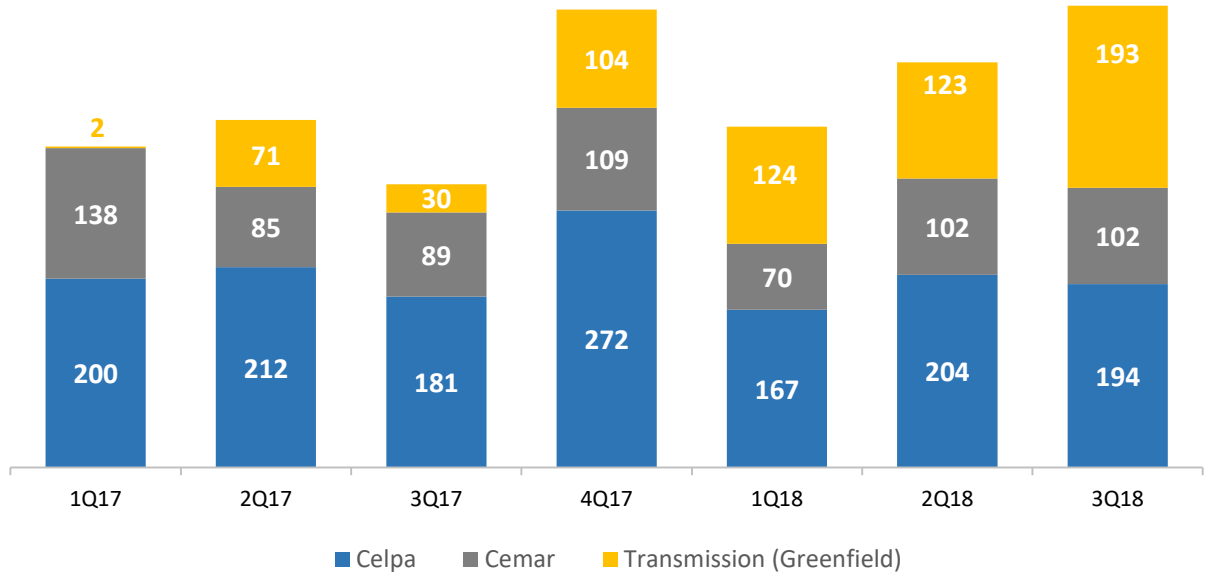


Notes:
(1) Includes 100% of CEMAR and CELPA
(2) Includes 65,1% of CEMAR + 96.5% of CELPA

Capex

Investments in the transmission segment are increasing

Main Investments
(R$ MM)



Total capex in the transmission segment have reached **R$ 647 million** as from 1Q17.

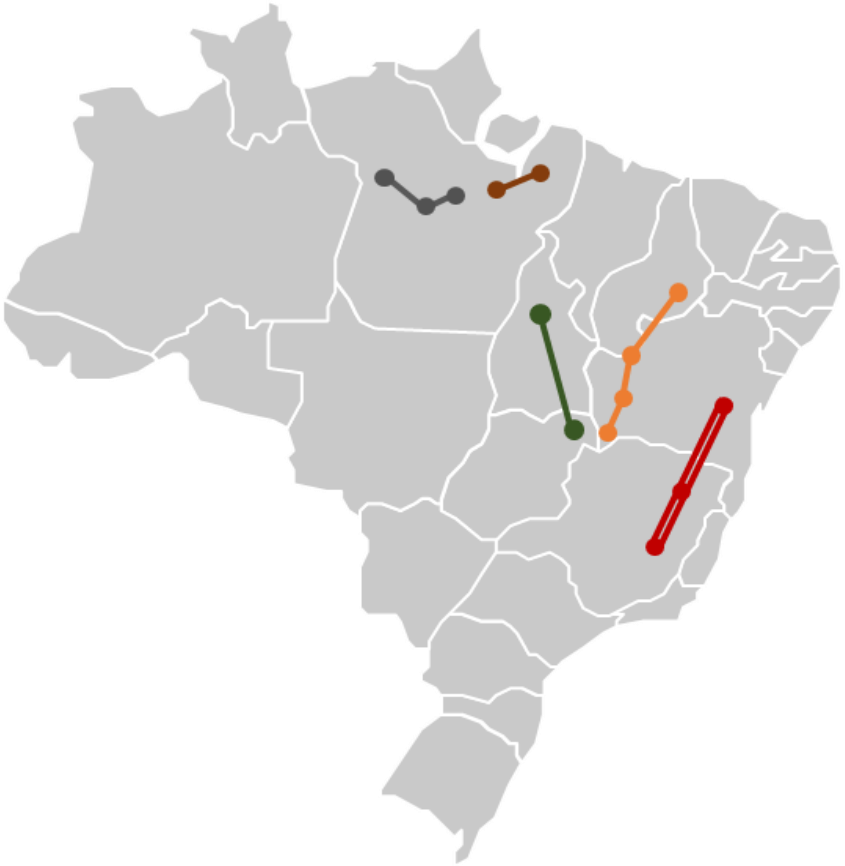
TRANSMISSION



Greenfield and Brownfield Projects

Revenues amounting to R$ 987 million/year*, escalated at inflation

(base-date Sep-2018)*



GREENFIELD							
Lot	State	km	Substations	Regulatory Capex	Environmental Licensing	Construction Works	Annual Revenues
BLOCK 1							
Lot 23	Pará	125	2	462	Partial Construction	Started	97
BLOCK 2							
Lot 08	Bahia	251		482	Construction		84
Lot 09	Bahia	213	1	505	Construction		76
Lot 12	Bahia / Piauí	380		593	Construction		111
BLOCK 3							
Lot 14	Bahia / Minas Gerais	594	1	1.148	Preliminary		201
Lot 15	Bahia / Minas Gerais	257		469	Preliminary		93
Lot 16	Minas Gerais	330		546	Preliminary		115
BLOCK 4							
Lot 31	Pará	436	3	719	Construction	Started	135

OPERATING LINES						
	State	km	Substation	Operational Start	End of Concession	Annual Revenues (51%)
INTESA						
INTESA	Tocantins / Goiás	695	5	May/08	Apr/36	75
TOTAL		**3.281**	**12**			**987**

Recent Developments

- Construction License for Lots 08, 09 and 12 (Block 2).
- Acquisition of the remaining stake of Intesa (49%)

Development Status of the Transmission Lines

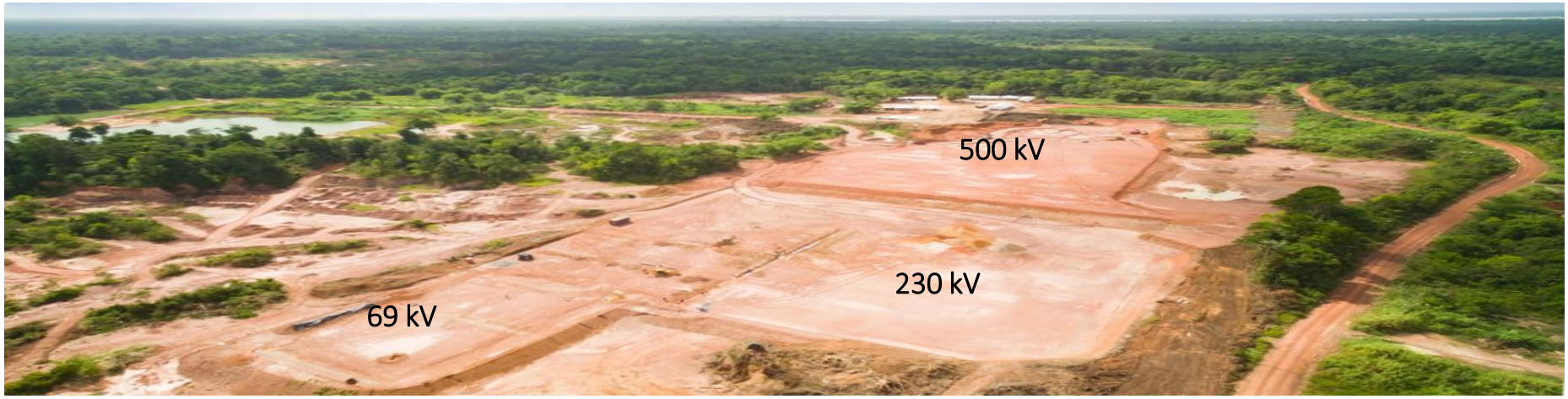
	Concession Contract		Environmental License	Civil Works	Land Rights
	ANEEL	Signing Date	IBAMA / SEMAS	AG / Elecnor	By property
SPV 01 (Lot 08)	✓	Feb 10, 2017	Construction		
SPV 02 (Lot 09)	✓	Feb 10, 2017	Construction		
SPV 03 (Lot 12)	✓	Feb 10, 2017	Construction		
SPV 04 (Lot 14)	✓	Feb 10, 2017	Preliminary		
SPV 05 (Lot 15)	✓	Feb 10, 2017	Preliminary		
SPV 06 (Lot 16)	✓	Feb 10, 2017	Preliminary		
SPV 07 (Lot 23)	✓	Feb 10, 2017	Construction (87% of total)	✓	
SPV 08 (Lot 31)	✓	Jul 21, 2017	Construction	✓	

- 61% - 70%
- 71% - 80%
- 81% - 90%
- 91% - 100%

Position: Sep/18.

SPV 07 Progress (Lot 23)

Marituba Substation



Landscaping of the 69kV and 230kV sectors concluded; landscaping of the 500 kV sector at 95%





Foundations of the 69kV and 230kV sectors started

SPV 07 Progress (Lot 23)

Vila do Conde Substation





Vila do Conde – Marituba Transmission Line

VILA DO CONDE - MARITUBA			
ACTIVITY	CONCLUDED	TOTAL	%
Track Clearing	54	122	44.3%
Foundations	1		0.8%
Tower Assembly	0		0.0%



Metallic Structure Foundation

SPV 08 Progress (Lot 31)

Tapajós Substation





Landscaping concluded, equipment, porches and commanding house started

Rurópolis Substation





Syncrhonous condenser boarded in Belém.

SPV 08 Progress (Lot 31)

Transamazônica Substation





Landscaping – 80% concluded

Xingú – Altamira Transmission Line

XINGU - ALTAMIRA			
ACTIVITY	CONCLUDED	TOTAL	%
Track Clearing	124	144	86.1%
Foundations	94		65.3%
Tower Assembly	33		22.9%



Assembly of the Towers

SPV 08 Progress (Lot 31)

Altamira – Transamazônica Transmission Line

ALTAMIRA - TRANSAMAZÔNICA			
ACTIVITY	CONCLUDED	TOTAL	%
Track Clearing	242	422	57.3%
Foundations	165		39.1%
Tower Assembly	0		0.0%



Concreting the tower foundations and stations

Transamazônica – Tapajós Transmission Line

TRANSAMAZÔNICA - TAPAJÓS			
ACTIVITY	CONCLUDED	TOTAL	%
Track Clearing	148	387	38.2%
Foundations	6		1.6%
Tower Assembly	0		0.0%



Digging the Foundations


equatorial
ENERGIA
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