

Results Presentation

4Q16 and FY2016 – March 27th 2017

eneva

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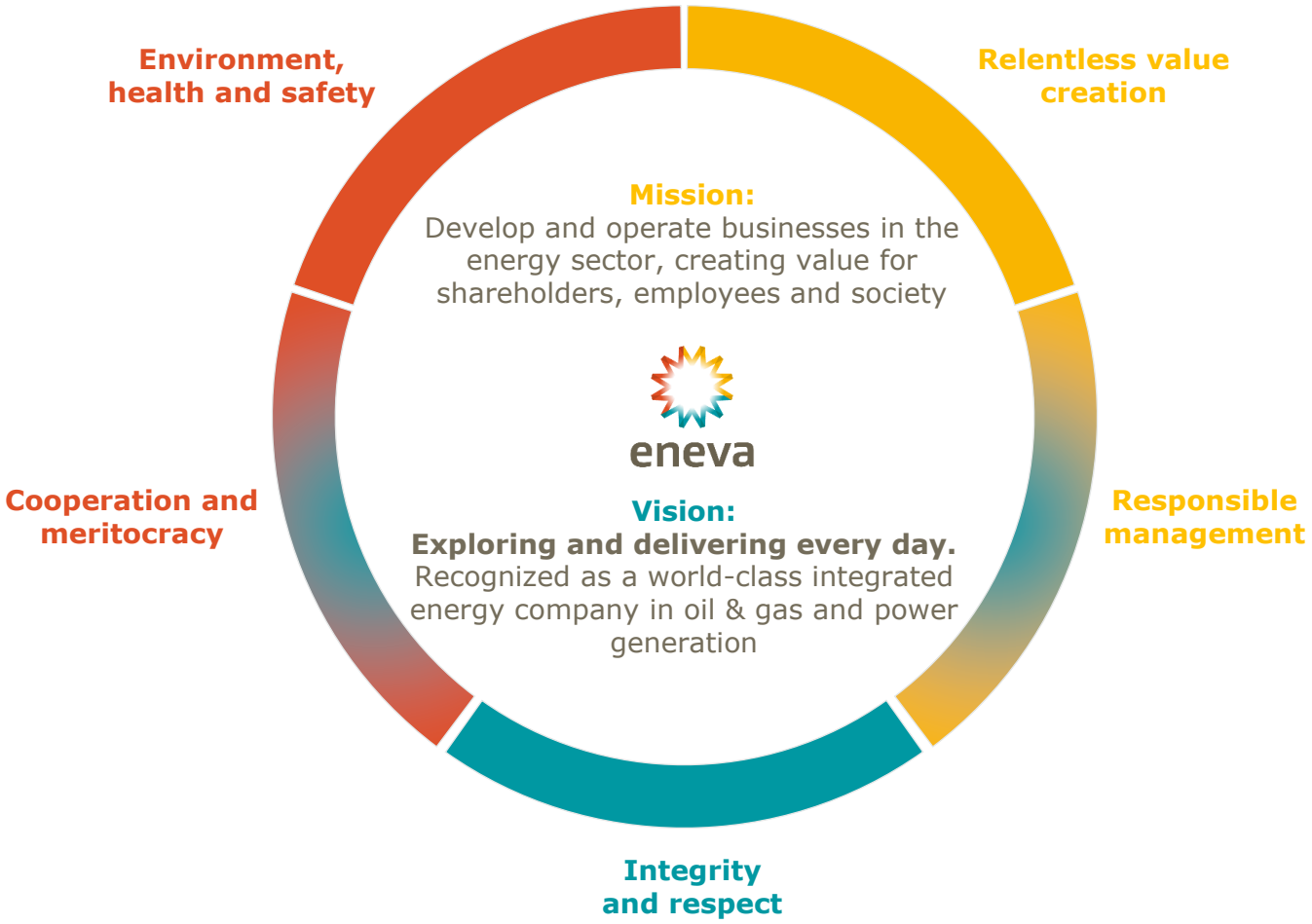
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ENEVA

Our Mission, Vision and Values



2016 Highlights

Successful turnaround with significant growth, value creation, and record EBITDA and cash performance



Fully operational asset base

Fully executed integration plan with PGN

R$ 1.2 Bn
of EBITDA[1]

R$ 733 MM
of Operating Cash Flow[1]

R$ 778 MM
of Cash Position[1]

1,345 MW
Average power output

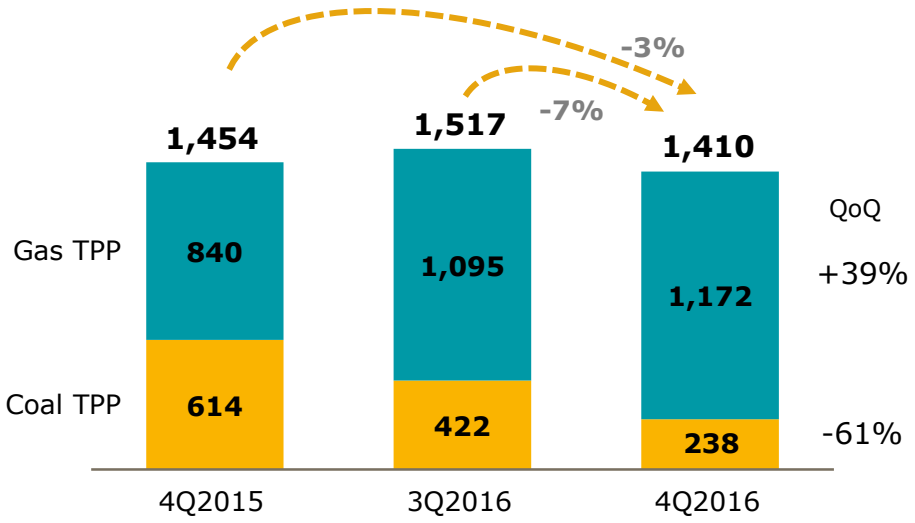
ENEVA is a R2W fully integrated energy platform in Brazil

(1) Proforma 2016: participation interest of 100% Parnaíba Gás Natural. Pecém II presented based on equity methods.

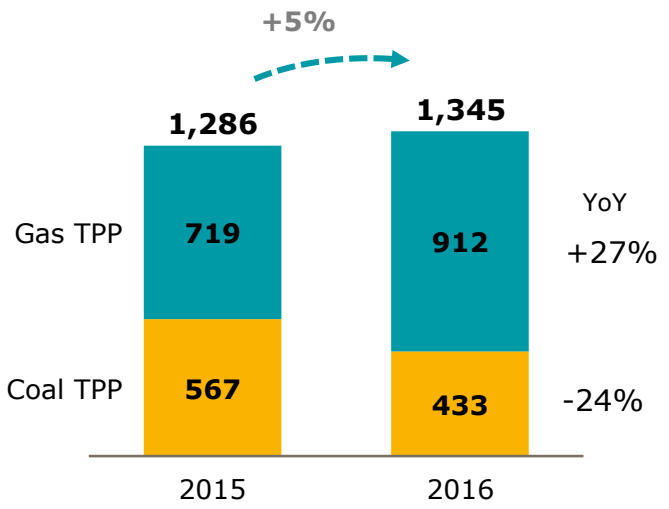
Operational Performance

Margins positively impacted by 5% increase in power output, with higher participation from gas TPPs

Average Power Output - Quarter
(MW)



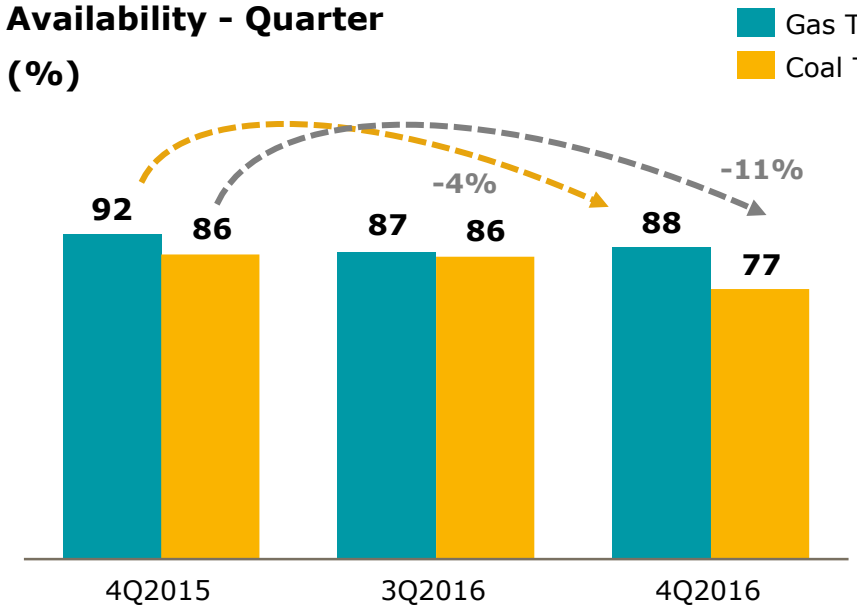
Average Power Output - Year
(MW)

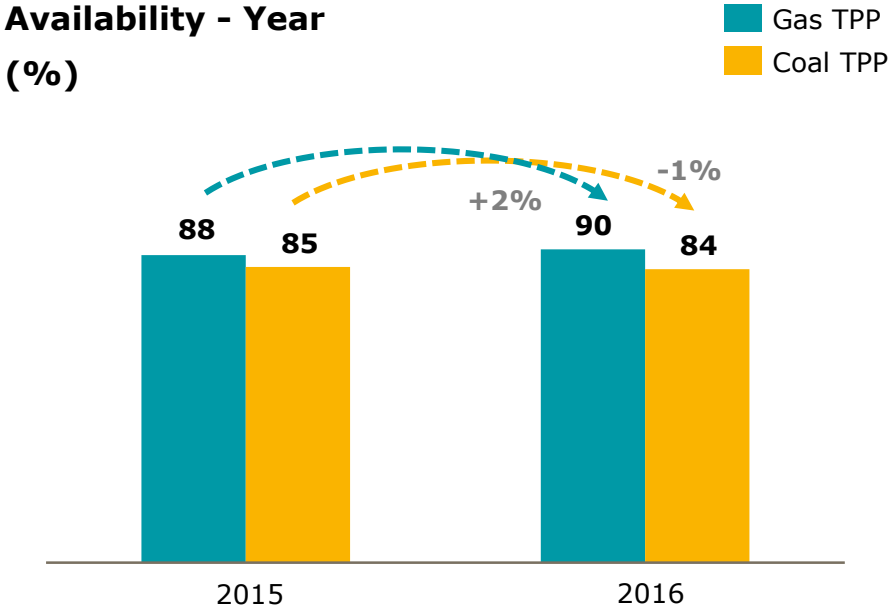


- QoQ Coal TPPs average generation was 184MW lower due to Itaqui´s unplanned downtime.
- QoQ Gas TPPs average generation increased by 78MW due to increased dispatch in Parnaiba I. Average annual generation also increased by 27%, following the start-up of Parnaíba II in Jul/16.

Operational Performance

Availability levels remained stable on a YoY basis, with the exception of Itaqui



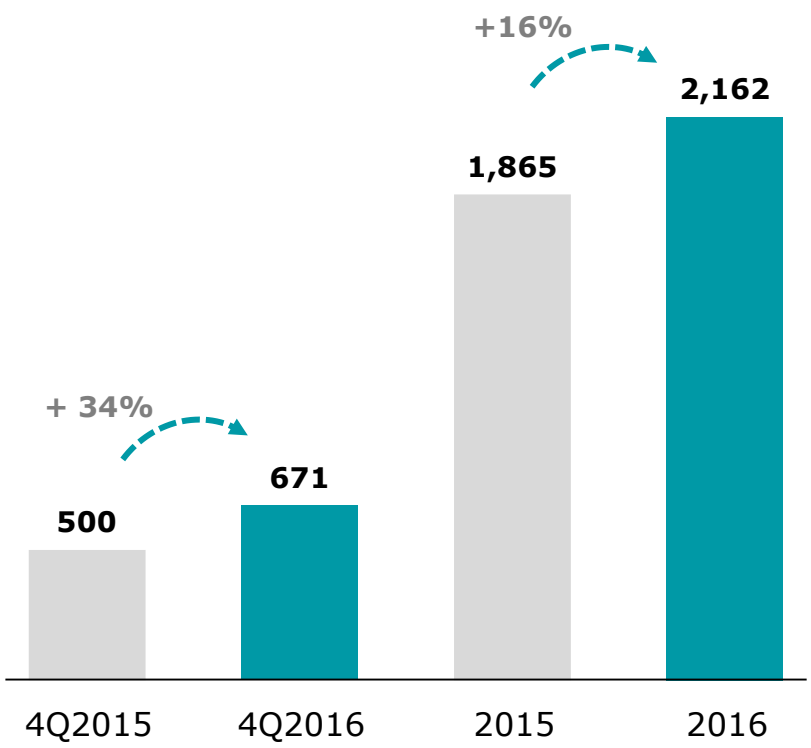


- Gas TPPs – Parnaíba IV remained voluntarily down in 4Q16. Excluding this effect Gas TPPs availability would be 92%.
- Itaqui Coal TPP (55% in the quarter)
  - Availability negatively impacted in Oct and Nov 16 due to maintenance
- Pecém II Coal TPP (99% in the quarter)

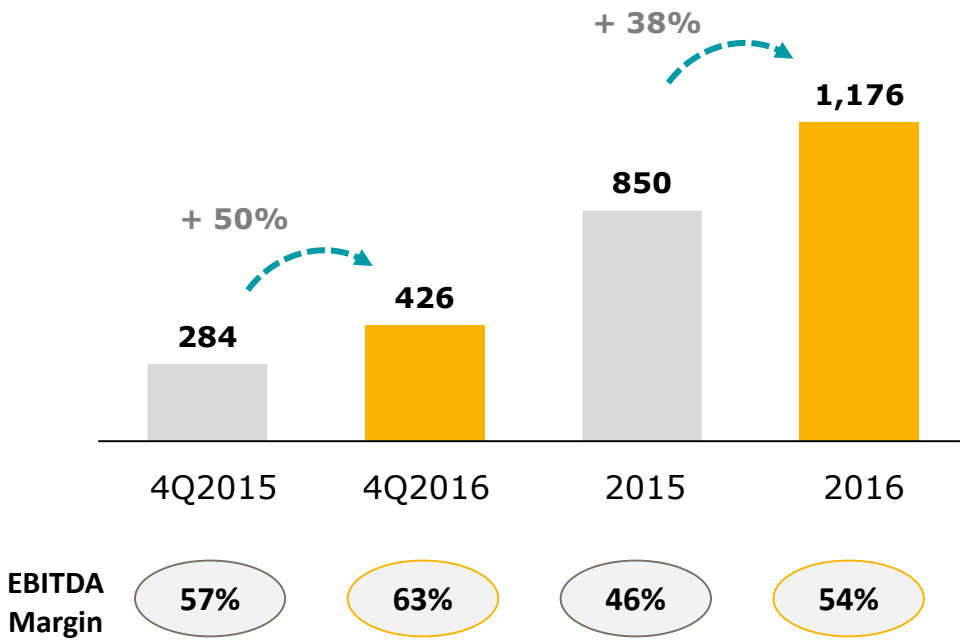
Financial Performance

Significant efficient gains in both, QoQ and YoY results, led to strong proforma EBITDAs

Net Revenues (MM R$)[2]



EBITDA (MM R$)[2]

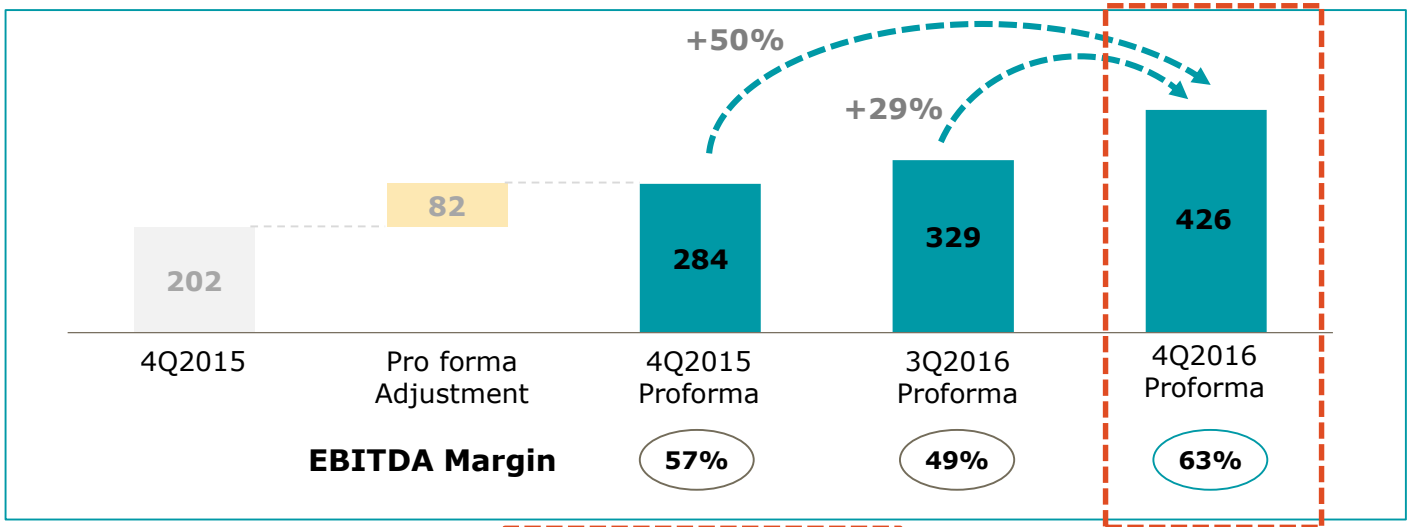


(1) Proforma - 2015: participation interest of 100% Parnaíba Gás Natural; 100% BPMB; 100% Parnaíba III; 100% Parnaíba IV; 100% Parnaíba Comercializadora; and 100% Comercializadora de Energia; 2016: participation interest of 100% Parnaíba Gás Natural. Pecém II presented based on equity methods in both years.

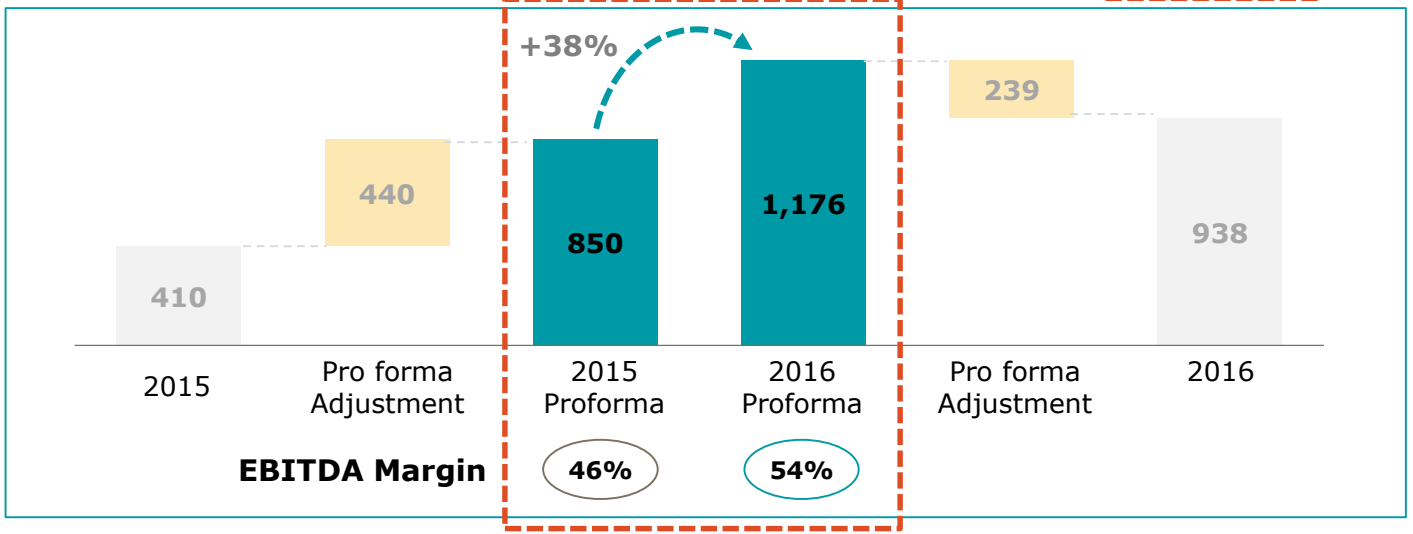
Financial Performance

FY16 Pro-forma EBITDA at R$1.2 Bn with 8 pp increase in EBITDA margins

EBTIDA QoQ[1] (MM R$)



EBTIDA YoY[1] (MM R$)

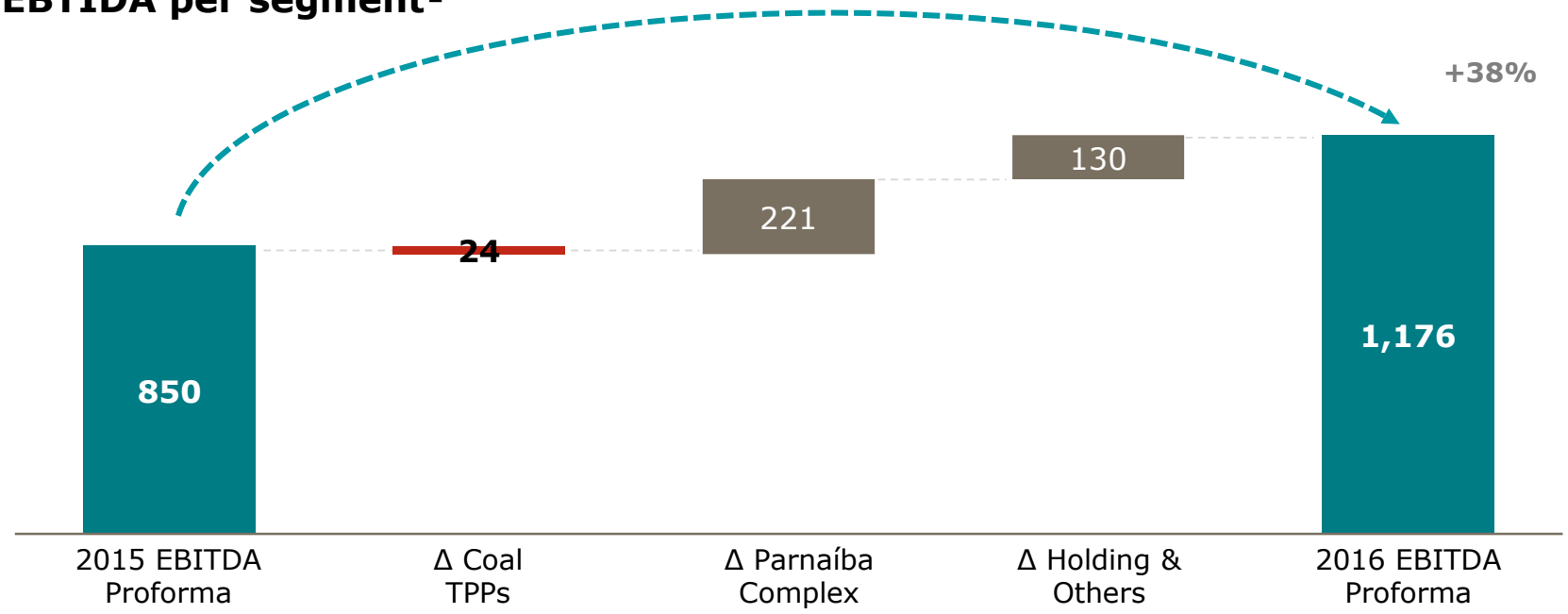


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Financial Performance

Parnaiba Complex contributed with R$221MM in EBITDA increase YoY

EBTIDA per segment[1]



- Itaqui Coal TPP: Higher unit fuel costs (R$22MM) associated to VAT (ICMS)
- Parnaíba Complex: Start-up of operations of Parnaíba II TPP
- Holding & Others: Lower G&A and lower services related to Judicial Recovery

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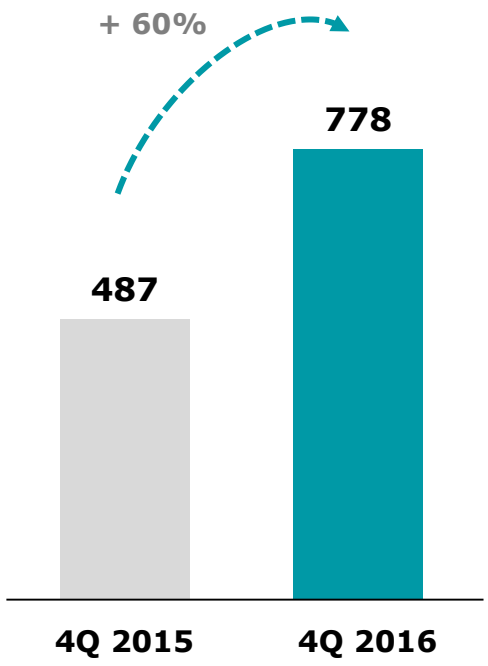
Financial Performance

Strong cash conversion led to historical quarterly and year end free cash flows

Free Cash Flow (MM R$)[1]

	4Q 2015	4Q 2016	2015	2016
(=) EBITDA	284.0	425.6	849.8	1,176.2
(+) Operating Cash Flow[3]	61.3	340.2	526.9	732.8
(+) Investing Cash Flow	-202.5	-57.0	-725.6	-256.4
(+) Debt Cash Flow	163.5	-65.6	283.2	-185.4
(=) Free Cash Flow to Equity	**24.0**	**217.6**	**84.4**	**291.0**

Cash Position (MM R$)[2]



(1) Proforma - 2015: participation interest of 100% Parnaíba Gás Natural; 100% BPMB; 100% Parnaíba III; 100% Parnaíba IV; 100% Parnaíba Comercializadora; and 100% Comercializadora de Energia; 2016: participation interest of 100% Parnaíba Gás Natural. Pecém II presented based on equity methods in both years.

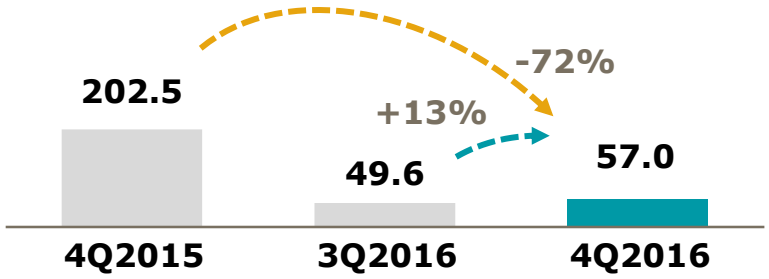
(2) Prof-forma Cash Position, as note #1, including reserve account.

(3) Considers interest expenses of: R$ 45.6 MM (4Q15); R$ 50.8 MM (4Q16); R$ 256.9 MM (2015); R$ 374.6 MM (2016).

Financial Performance

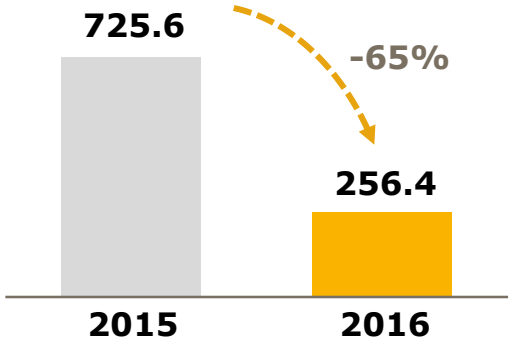
Investments were 65% lower on a YoY basis, impacted by lower requirements in E&P CAPEX and fully operational asset base

Quarter (MM R$)



4Q16 Investments: 18% Power and 82% E&P

Year (MM R$)



2016 Investments: 34% Power and 66% E&P

All key projects were delivered on time and on budget, focusing on sustaining operations and integration

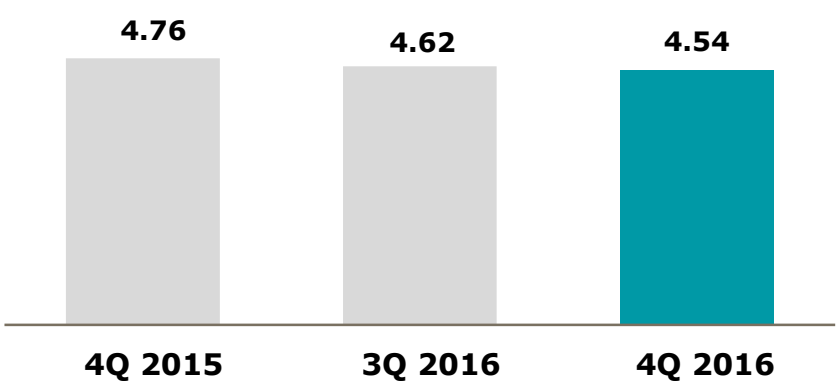
Initiative	Amount	Deadline	Status
Parnaíba II Water intake and Demi water treatment plant	R$ 10.9 MM	Nov 2016	✓
ERP implementation (SAP and other)	R$ 8.4 MM	Dec 2016	✓
Pecém II Effluent Treatment Plant	R$ 1.5 MM	Dec 2016	✓
Drilling Campaign	R$ 43.0 MM	Dec 2016	✓
Natural Gas Development Campaign	R$ 64.0 MM	Dec 2016	✓

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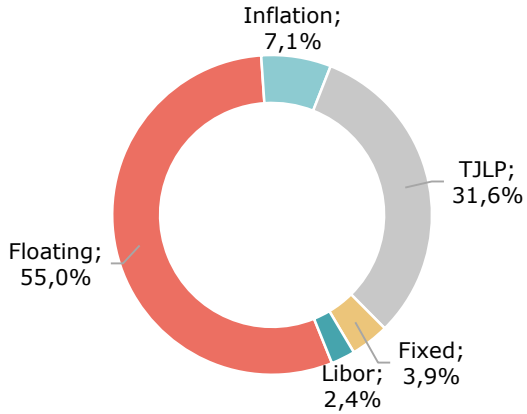
Financial Performance

Net debt reached R$4,5 Bn with an average payment term of 5 years and Net Debt / EBITDA at 3.9x

Consolidated Net Debt[1] (Bn R$)

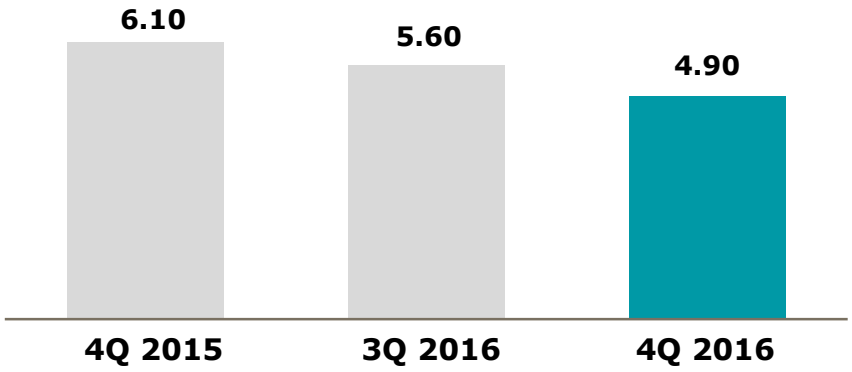


Debt Profile[1]

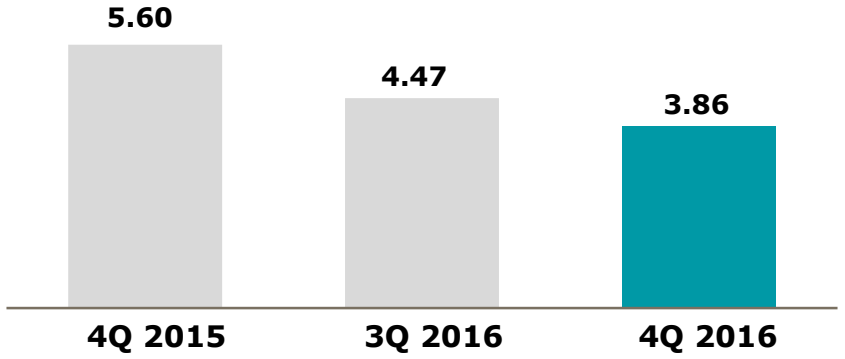


Average Weighted Debt nominal cost: 14.03% p.y.

Average Term[1] (years)



Net Debt / LTM EBITDA[1]

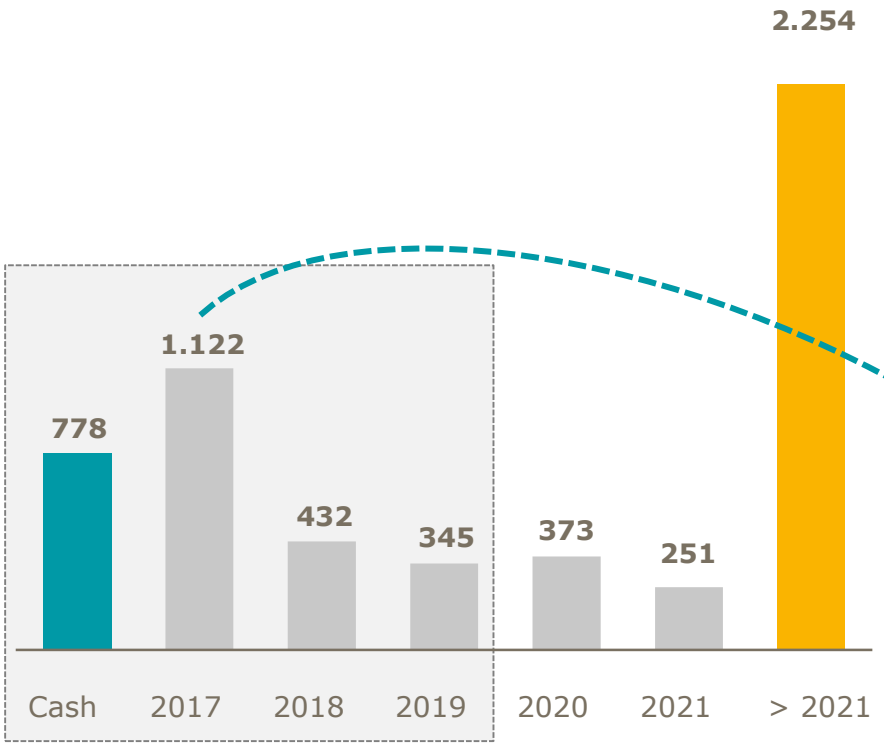


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Financial Performance

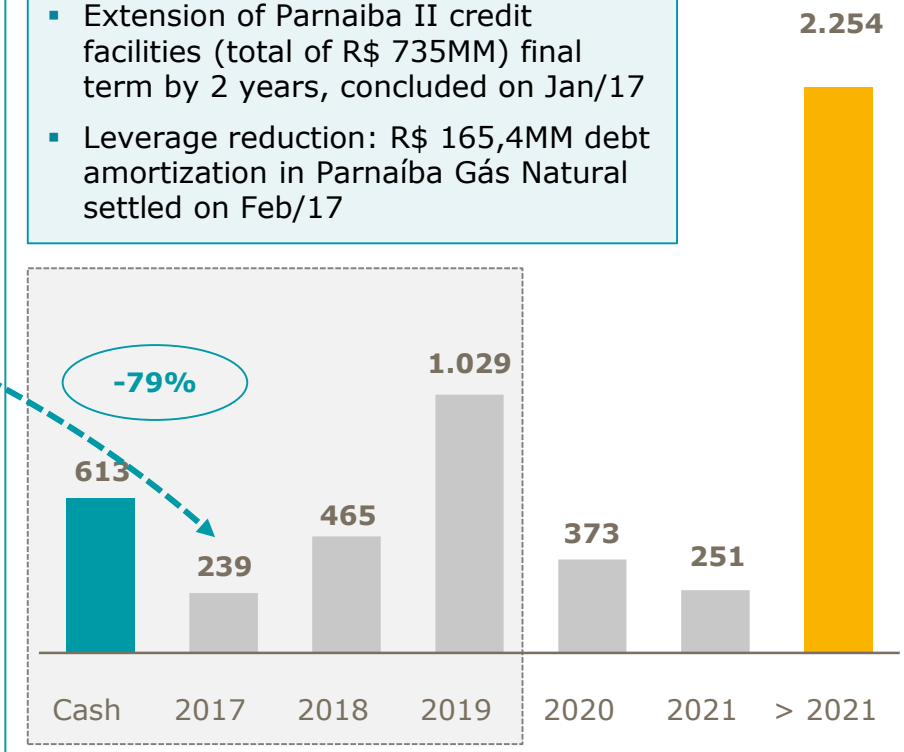
Continued improvement in capital structure

Schedule of Debt Settlement on Dec 31st 2016[1] (MM R$)



Schedule of Debt Settlement after subsequent events[2] (MM R$)

- Extension of Parnaiba II credit facilities (total of R$ 735MM) final term by 2 years, concluded on Jan/17
- Leverage reduction: R$ 165,4MM debt amortization in Parnaíba Gás Natural settled on Feb/17



(1) Consider schedule of debt principal settlements
(2) Cash position adjusted by principal settlement of R$ 165,4MM in Parnaíba Gás Natural on Feb/17 and extension of Parnaíba II credit facilities of R$ 735MM to 2019.
(3) Proforma Analysis, considering 100% Parnaíba Gás Natural. Pecém II debt not included, since it is presented based on equity methods in both years.

2017 Perpectives

Expectation of normalized behaviour of dispatch levels in 2017

Efficiency

- TPPs Maintainance Excellence
  - Overhaul of Itaqui and Pecém II
  - Expected investment of ~R$ 100MM
- Coal TPPs: Continue our operational optimization

Parnaíba Complex

- Readiness to deliver commitments
  - Development of 2 fields: Gavião Caboclo and Gavião Azul
  - GVR recovery factor increase
  - Expected Investment of ~R$300 MM

Capital Structure

- Following the overall leverage reduction, the next step is to optmize the capital structure of the group's entities



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