

1Q18 Earnings

MAY 2018

eneva

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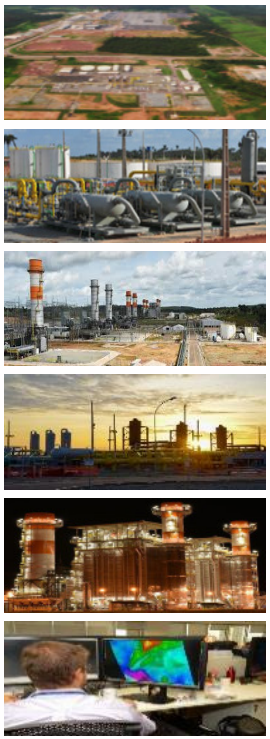
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1Q18 Highlights

Adjusted EBITDA of R$ 251MM, Operating Cash Flow of R$ 311MM and continued optimization of capital structure

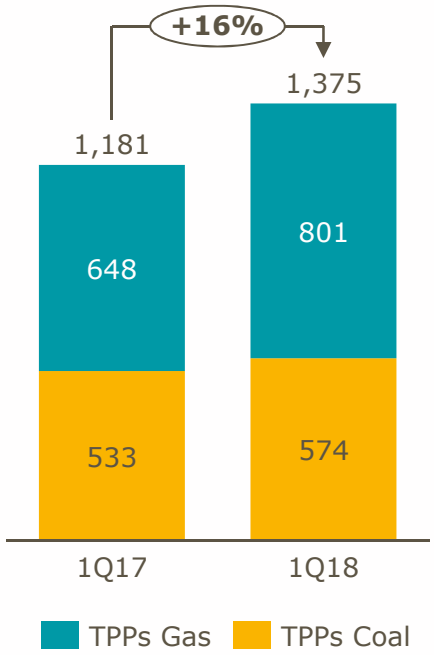


- Increased dispatch and availability of power plants led to 16% increase in total net power generation, which reached 1,375 GWh
- Gas sales volume of 0.2bcm, following seasonal trend, with 26% GTU dispatch
- Operating Cash Flow reached R$ 311 million (+28%) and net profit R$ 38 million
- Investments of R$ 58 million, including Parnaíba I overhaul and maintenance of gas production system in the Parnaíba Basin
- Consolidated cash balance of R$ 604 million, with stable leverage (net debt/EBITDA LTM of 2.8x)
- Conclusion of acquisition of Azulão and Pecém II
- Successful Conclusion of Re-IPO debt pre-payment plan

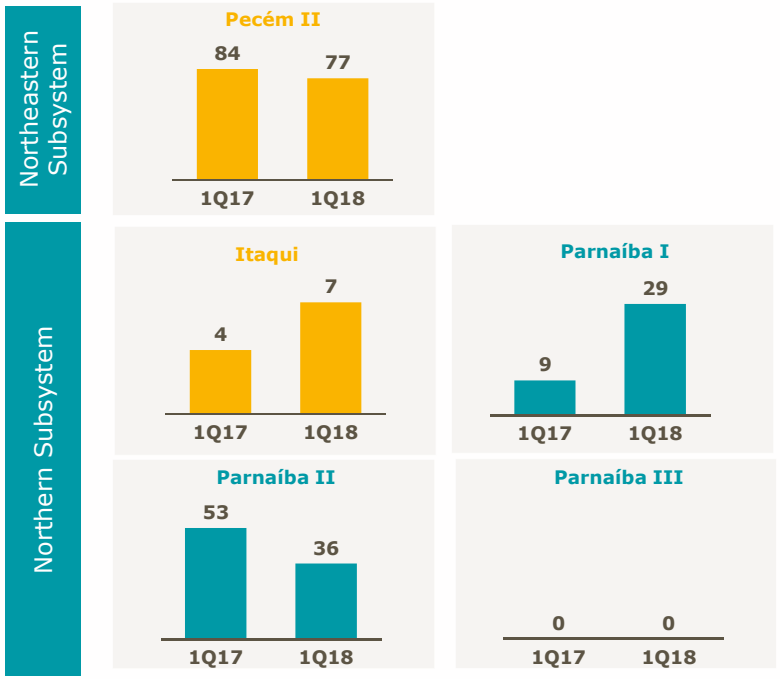
Operating Performance

16% growth in average power generation vs 1Q17

Average net power generation (MWm)



Average power generation by TPP (%)

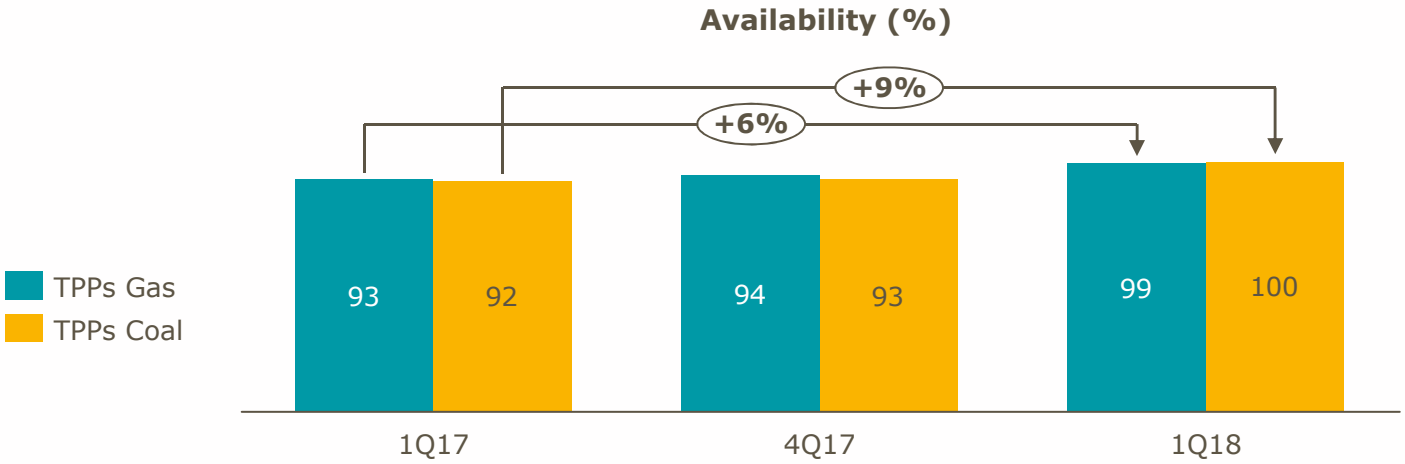


Source: ONS

(1) Average power generation considering all of ENEVA's portfolio, including Pecém II.

Operating Performance

Maintenance plans and asset revitalization lead to higher average availability in Gas and Coal TPPs



Parnaíba Complex

- Initiated overhaul of Parnaíba I
- Scheduled maintenance of the steam turbine of Parnaíba II and the overhaul of Parnaíba IV

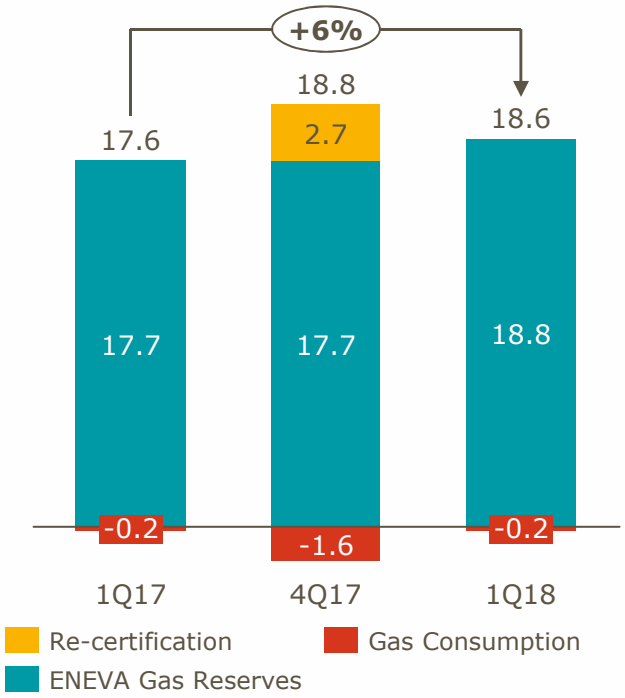
Coal TPPs

- Itaqui: maintenance and revitalization plan/ availability above required for fourth consecutive quarter
- Pecém II: revitalization of coal transport system and refurbishment of conveyor belt

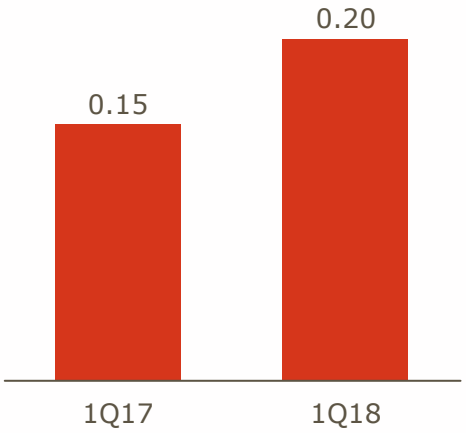
Performance Operacional

Remaining Certified Reserves (2P) of 18.6 billion m³

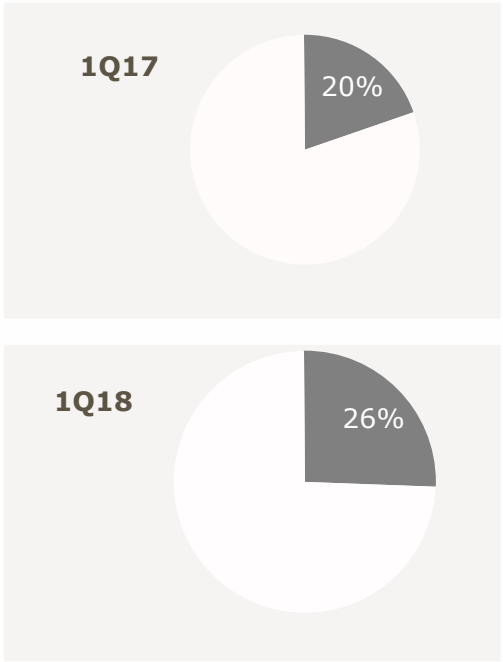
Natural Gas Reserves (2P)[1] (Bi m³)



Natural Gas Production (Bi m³)



GTU Average Dispatch

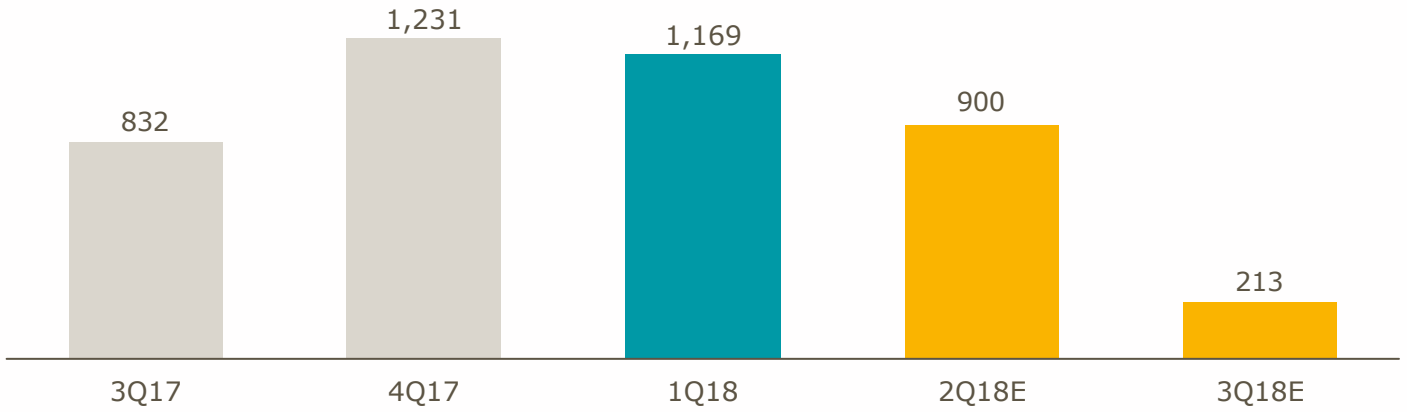


(1) Certification conducted by an independent international company. Reserves reports are available in: ri.eneva.com.br

Exploration Campaign

Intensification of the exploration campaign in R13 blocks

Seismic Acquisition - Planned Schedule (km)



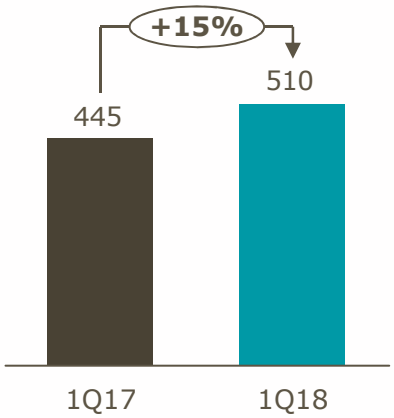
Highlights

- Acceleration of seismic data gathering in R13 blocks
- Suspension of drilling in R9 PADs due to heavy rains in the region

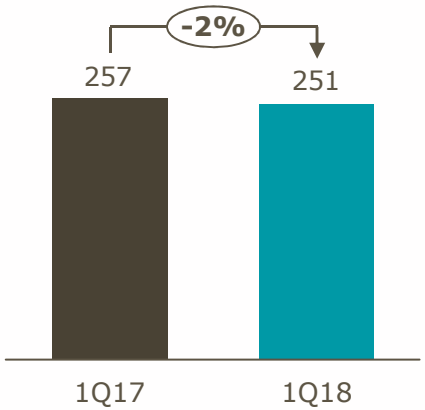
Financial Performance

Adjusted EBITDA of R$ 251 million, impacted by higher exploration expenses and seasonality of hedging results for unavailability penalties (ADOMP)

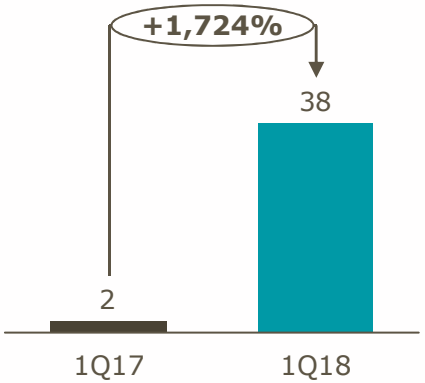
Net Revenues (R$ MM)[1,2]



Adjusted EBITDA (R$ MM)[1,2]



Adjusted Net Profit (R$ MM)[1,2]

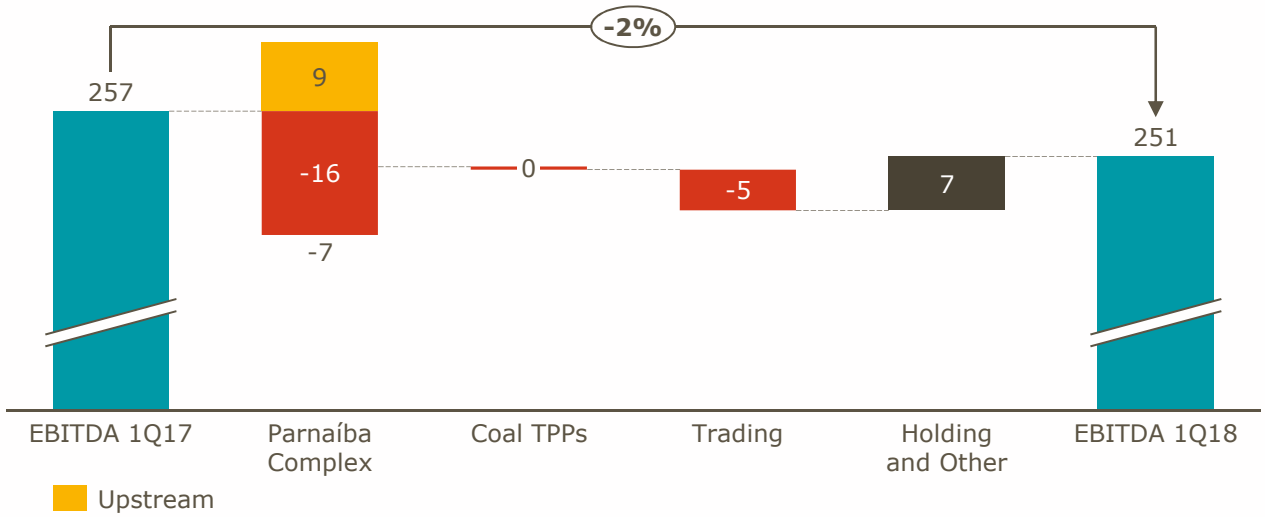


Average Generation Dispatch[3]	31%	**33%**
Adjusted EBITDA Margin	58%	**49%**

(1) The result of Pecém II is presented by equity method.
(2) Net revenue and EBITDA, not considering non-recurring events, as per Results Release of 1Q18.
(3) Average power generation considering all of ENEVA's portfolio, not including Pecém II.

Financial Performance

Adjusted EBITDA by segment[1] (R$ MM)



Parnaíba Complex:

- Higher exploration expenses
- Seasonality of hedging results for unavailability penalties (ADOMP)

Trading:

- Losses in old PPAs signed in 2011/12

Holding:

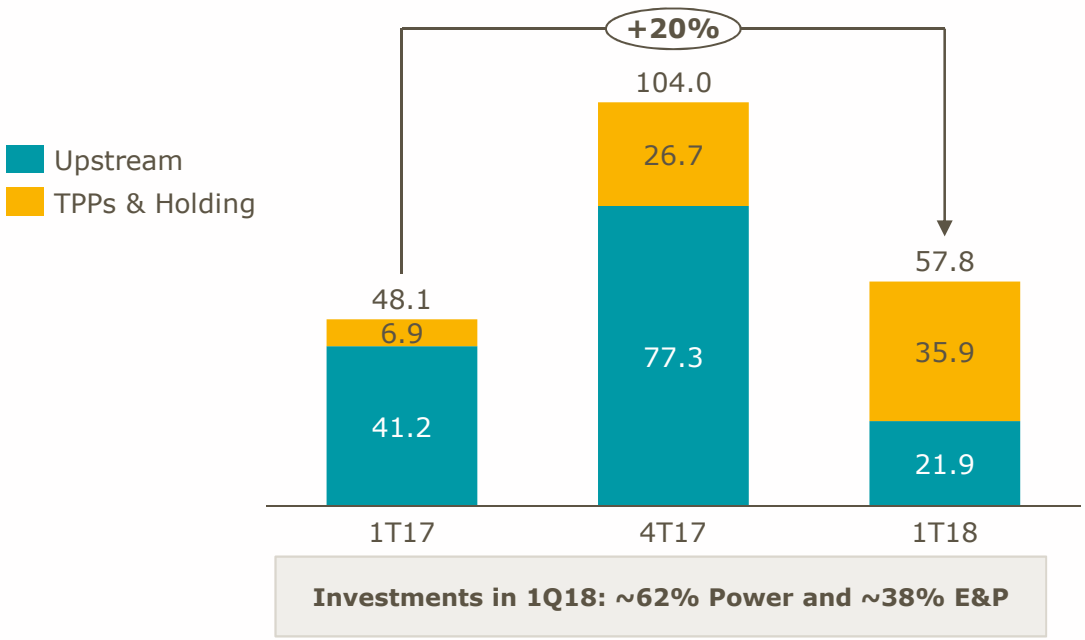
- Reduction in number of management level personnel, expenses with stock options and labor termination costs

(1) Adjusted EBITDA, excluding non-recurring events, as per 1Q18 Earnings. Pecém II results are presented by equity method.

Investments

Highlight for the beginning of the process of Parnaíba I overhaul

Investments (R$ MM)



Investments in 1Q18: ~62% Power and ~38% E&P

Investment Highlights

Power Generation

- Itaqui: overhaul and efficiency programs aimed at increasing operational availability in Itaqui
- Planned maintenance in Parnaíba I

Upstream

- Conclusion of assisted operation phase of Gavião Caboclo field
- Acquisition of equipment for planned maintenance at GTU and EPGVB

(1) Pecém II results is presented by equity method.

Cash Flow

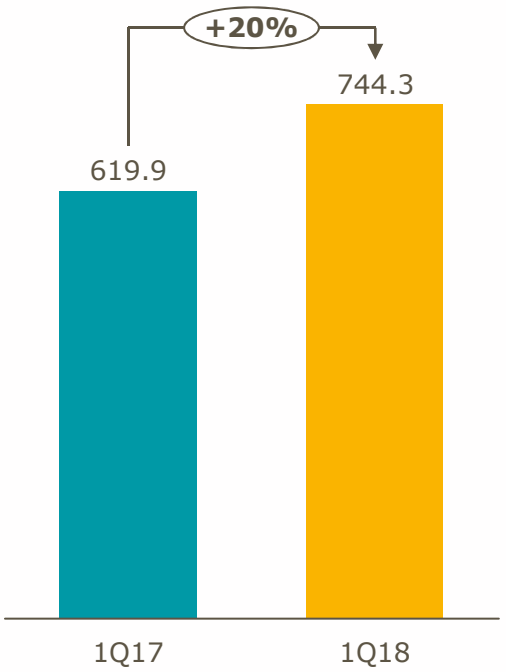
Operating cash flow growth resulting from plants shut down in early February

Cash Flow (R$ MM)

	1Q17	1Q18
EBITDA	**243.1**	**249.4**
(+) Change in Working Capital	**34.9**	**117.7**
(+) Taxes and Other Assets & Liabilities	**(34.6)**	**(56.3)**
(=) Operating Cash Flow	**243.4**	**310.8**
Investment Cash Flow	(41.7)	(277.8)
Financial Cash Flow	(360.8)	(460.2)

Cash Flow from Financing Activities impacted by prepayment of Itaqui and Pecém II debts

Cash Position[1] (R$ MM)

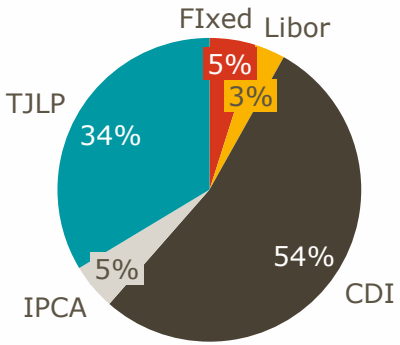


(1) Cash position considering escrow assets

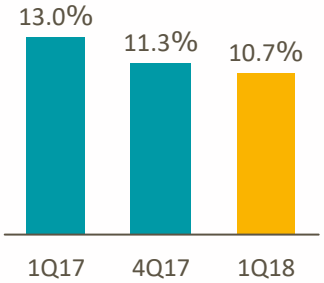
Indebtedness

Continuous strengthening of capital structure

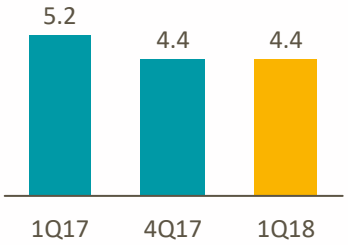
Consolidated Debt Profile



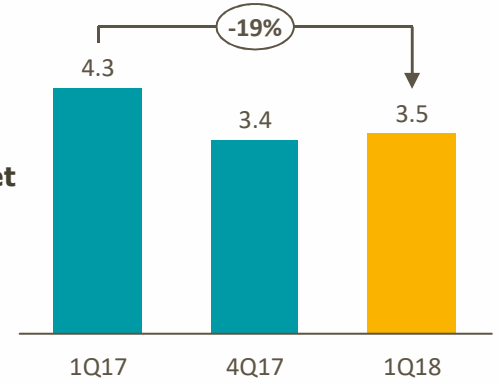
Average Cost



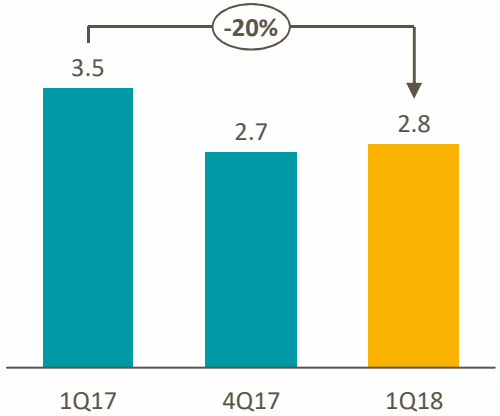
Average Term to Maturity



Consolidated Net Debt (R$ bn)

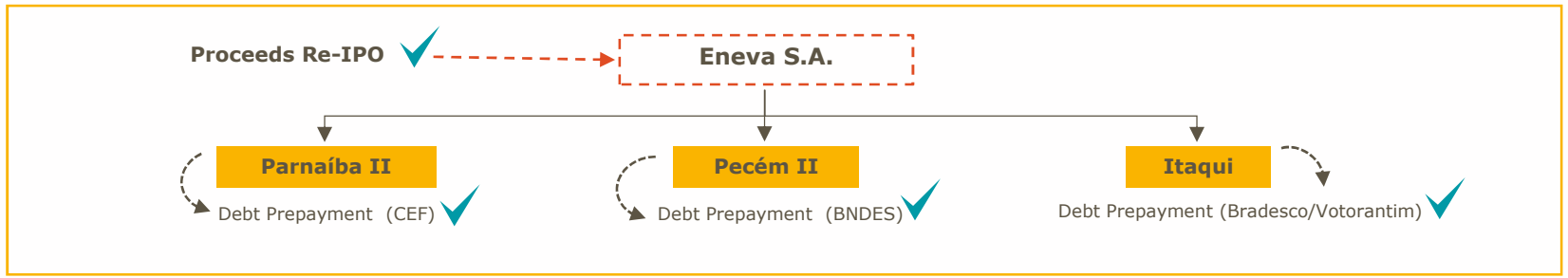


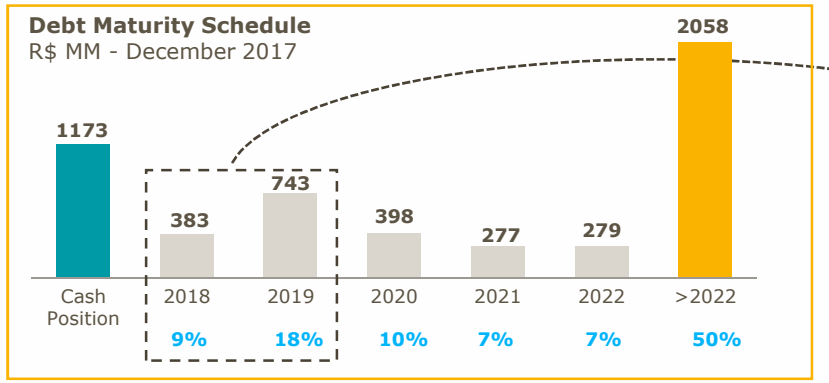
Consolidated Net Debt /EBITDA Adjusted (x)

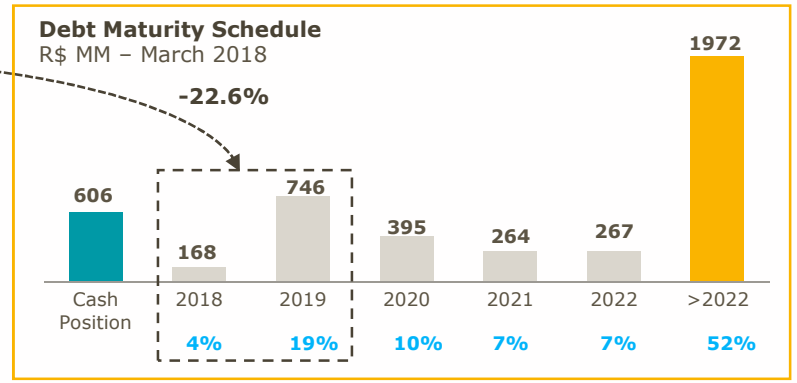


Financial Performance

Conclusion of Re-IPO debt prepayment plan





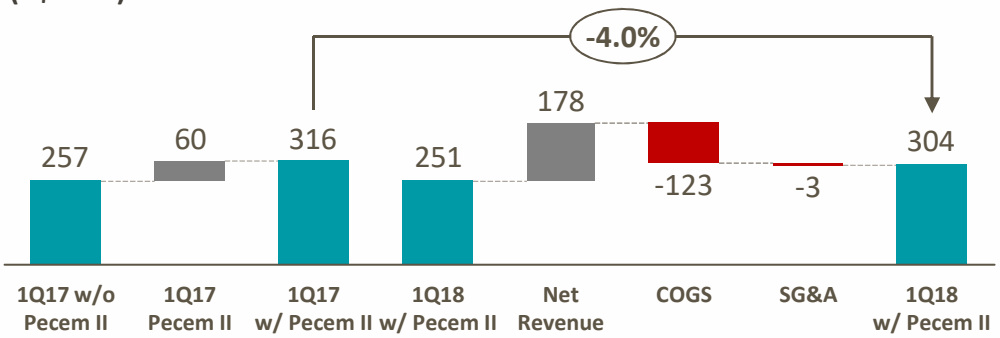


(1) Consider the amortization schedule of the principal of the debt.
(2) Pecém II debt not included in consolidated figures.

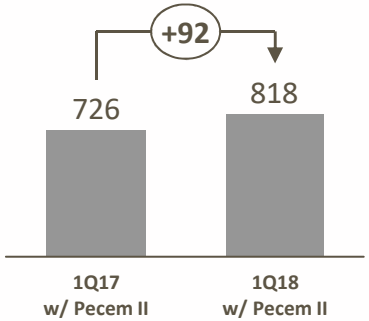
Pecém II Acquisition

1Q18 Figures assuming consolidation of Pecém II

Recurring EBITDA w/ 100% of Pecém II (R$ MM)

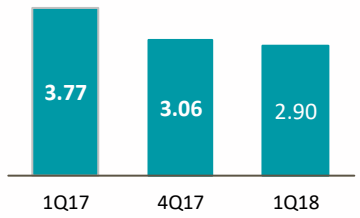


Cash (R$ MM)

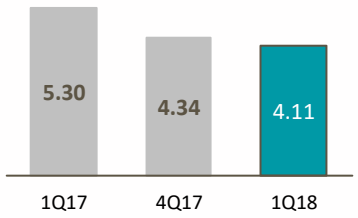


Consolidated Debt w/ 100% PÉCEM II

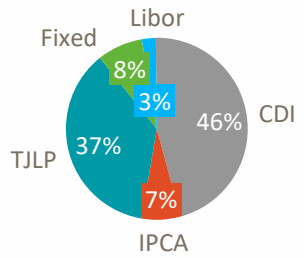
Net Debt/ EBITDA



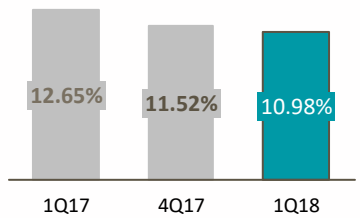
Net Debt – R$ Bi



Debt Profile - %



Debt Cost





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