

3Q18 Earnings

NOVEMBER 2018

eneva

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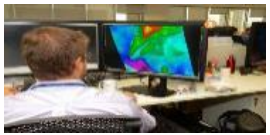
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3Q18 Highlights

EBITDA exceeds R$ 500 million and gas reserves reach 19.3 bcm





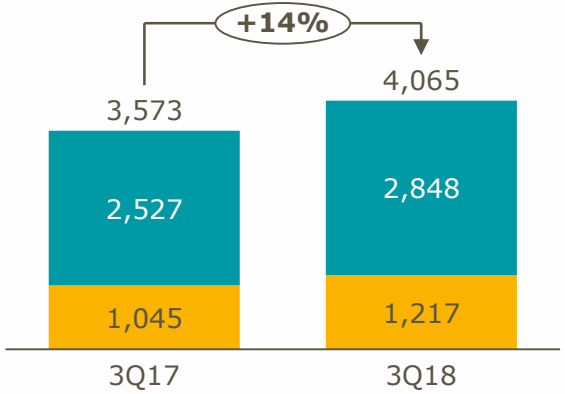



- **Adjusted EBITDA** reaches **R$ 502 million**, growth of 15.7% vs 3Q17;
- **19,3 bcm** in **remaining gas reserves**, 9% higher than in September 2017:
  - Declaration of Commerciality of the **Gavião Tesoura Field** with estimated **VGIP 2.24 bcm**;
- **Increased availability of the plants** takes generation to 4,065 GWh and **gas sales volume grow 14.3%**;
- **Significant improvement of the variable unit margin** in **Pecém II and Itaqui**;
- **Adjusted Net Income** of **R$ 180 million**:
  - Parnaíba Complex reports a profit of R$ 184 million and coal generation of R$ 38 million;
- **Operating Cash Flow** of **R$ 360 million**;
- **Consolidated cash position** of **R$ 1.1 billion** and **Net Debt/EBITDA LTM** of **2.7x**;
- Closing of Parnaíba I (**UTE Parnaíba V**) cycle, with 385 MW, **wins 2018 Y-6 auction** .

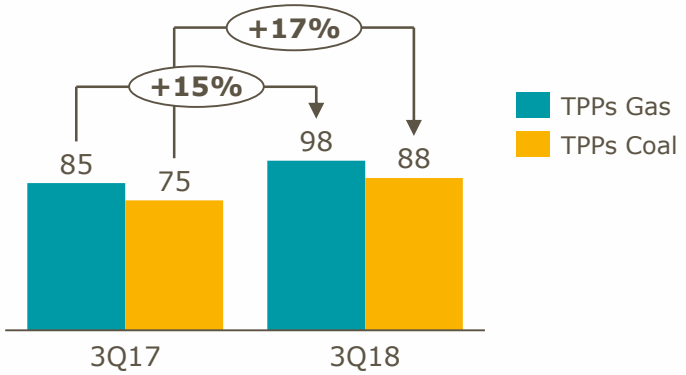
Operating Performance

Net generation grows 14%, with higher plant availability

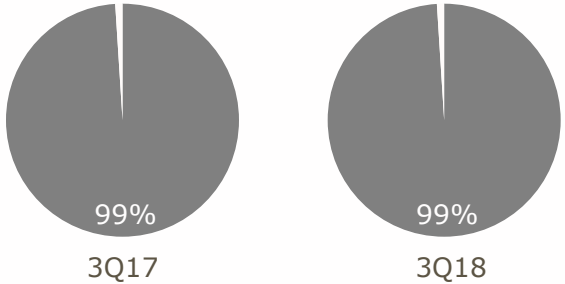
Average net power generation (GWh)



Availability (%)



Average dispatch consolidated (%)



Source: ONS

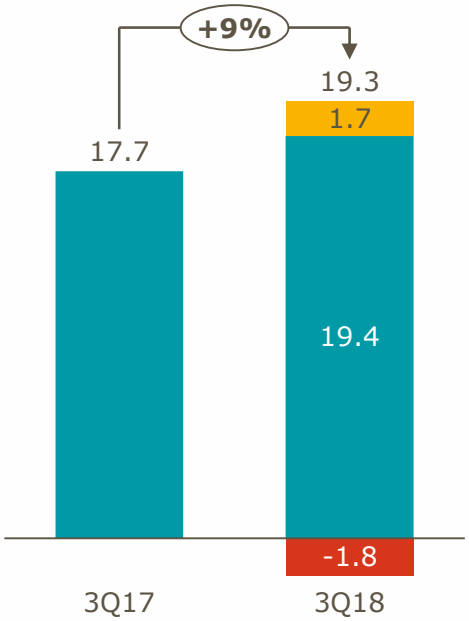
Coal Generation

- **Itaqui:** Corrective maintenance in the boiler in July
- **Pecém II: (i)** Completion of the revitalization process of the coal transport system; **(ii)** Shutdown to repair the boiler, with removal of adherence of ashes in the pipeline

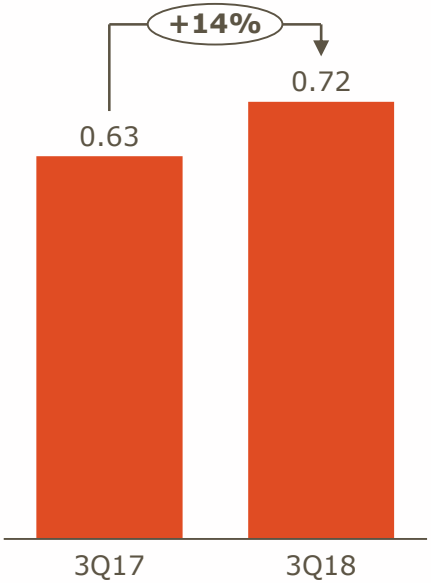
Operating Performance

Remaining Reserves (2P) of 19.3 bcm, 9% higher than 3Q17

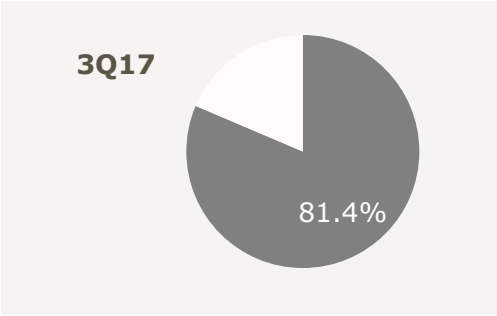
Natural Gas Reserves (2P)[1,2] (Bi m³)

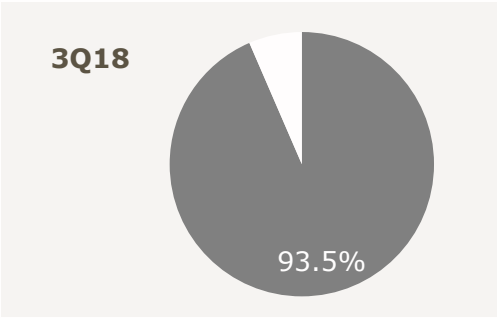


Natural Gas Production (Bi m³)



GTU Average Dispatch





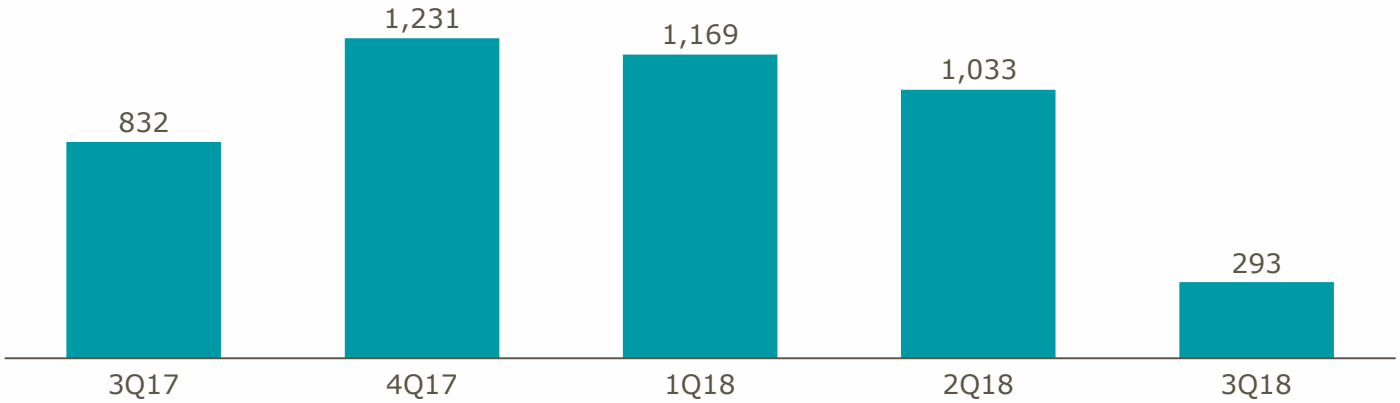
GVT (Gavião Tesoura) Remaining Reserves Gas Production LTM

(1) Certification conducted by an independent international company. Reserves reports are available in: ri.eneva.com.br
(2) GVT: Uncertified reserves → 1.7 bcm of estimated reserves

Exploration and Development

Continuity of the drilling campaign in the R9 PADs and drilling of the 1st well of R13

Seismic Acquisition - Planned Schedule (km)



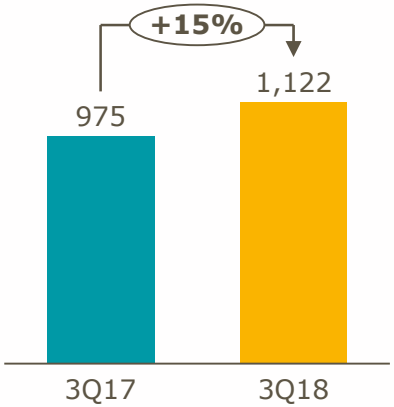
Highlights

- 293 km of seismic data were acquired in the concessions of the 13th round
- PADs: (i) Drilling of 3 exploratory wells in the 9th round PADs and 1 exploratory well of the 13th round; (ii) Completion of one of the wells in Morada Nova → declared commercial Field Gavião Tesoura
- Construction of the 3rd cluster of Gavião Azul and evaluation of low permeability reservoirs

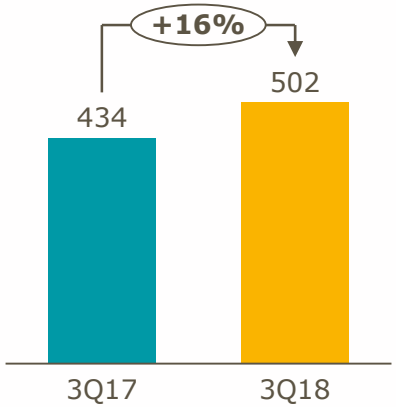
Financial Performance

R$ 502 million adjusted EBITDA, driven by the higher volume of energy generated and effective management of variable margins in coal generation

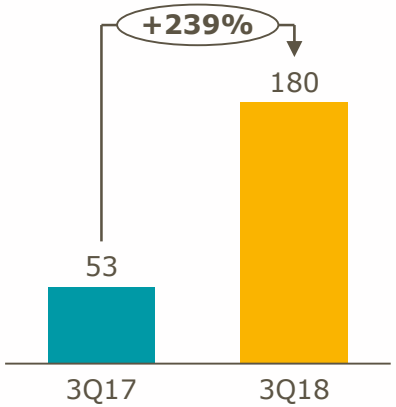
Adjusted Net Revenues (R$ MM)[1]



Adjusted EBITDA (R$ MM)[1]



Adjusted Net Profit (R$ MM)[1]

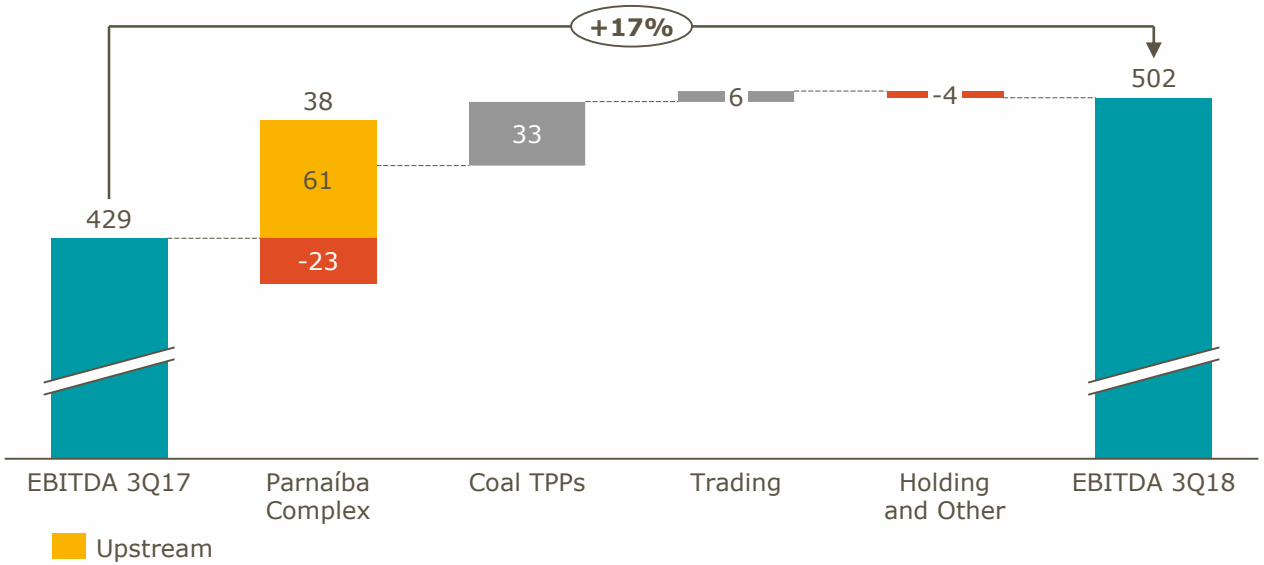


	3Q17	3Q18
Average Generation Dispatch[2]	99.5%	99.0%
Adjusted EBITDA Margin	43%	45%
Net Margin	5%	16%

(1) Net revenue, EBITDA and Net Profit, not considering non-recurring events, as per 3Q18 Earnings Release.
(2) Average generation dispatch considering all of ENEVA's portfolio.

Financial Performance

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



Parnaíba Complex:

- Termination of the energy contracts of Parnaíba II through MCSD in 3Q17
- Availability of the plants
- Gas production

Coal:

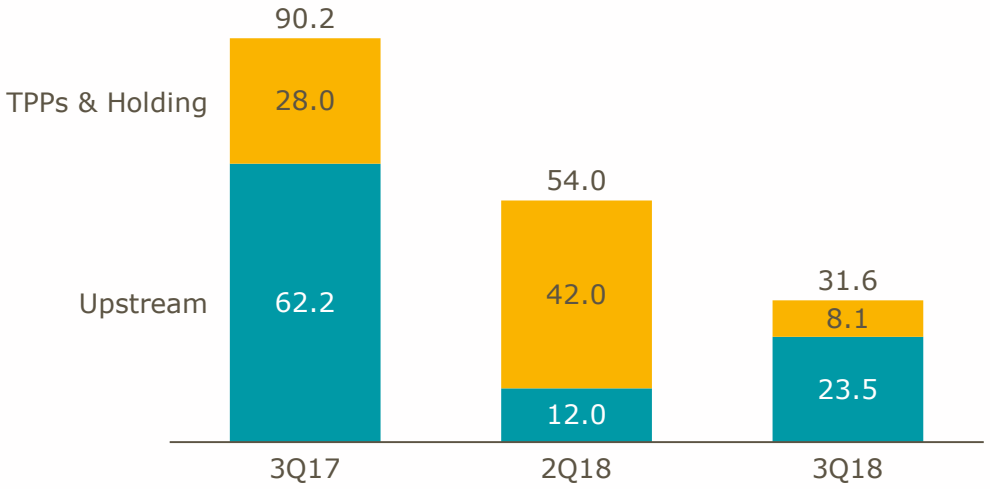
- Variable Margins in Itaqui and Pecém II
- Results of hedge ADOMP

(1) Adjusted EBITDA, excluding non-recurring events, as per 3Q18 Earnings Release.

Investments

Highlight for upstream activities

Investments (R$ MM)



Investments in 3Q18: 74% E&P, 19% Coal Generation, 4% Gas Generation and 3% Holding

Investment Highlights

Power Generation

- Replacement of rollers/supports of the coal transport system;
- Entries related to Itaqui and Parnaíba I overhaul concluded in 1H18;
- Maintenance of existing water wells for flow improvement;

Upstream

- Drilling of PGN-25 well (Morada Nova)
- Stimulation of low permeability reservoirs in GVA
- Construction of the cluster 3 of GVA

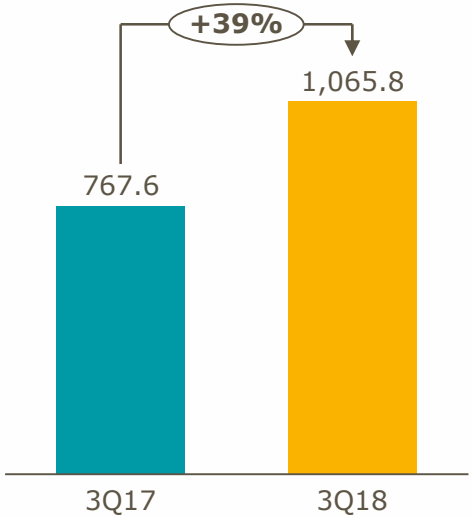
Cash Flow

Increase in operating cash flow, driven by Company's operating performance and lower working capital requirements

Cash Flow (R$ MM)

	3Q17	3Q18
EBITDA	**431.2**	**497.8**
(+) Change in Working Capital	**(186.0)**	**(166.3)**
(+) Taxes	**5.5**	**28.4**
(+) Var. Other Assets & Liabilities	**-**	**-**
(=) Operating Cash Flow	**250.7**	**359.9**
Investing Cash Flow	(79.1)	(49.8)
Financing Cash Flow	(186.2)	(126.9)

Cash Position[1] (R$ MM)

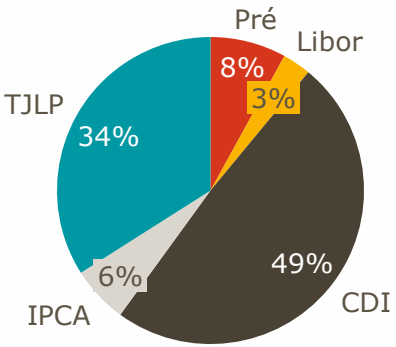


(1) Cash position including balance in escrow accounts

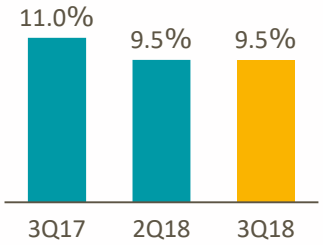
Indebtedness

Continuous reduction of Net Debt/Adjusted EBITDA LTM (x)

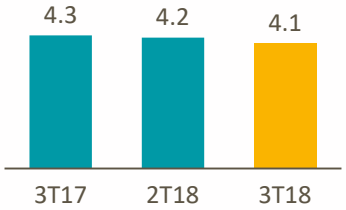
Consolidated Debt Profile



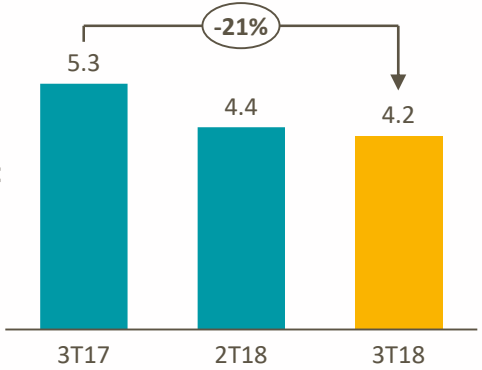
Average Cost



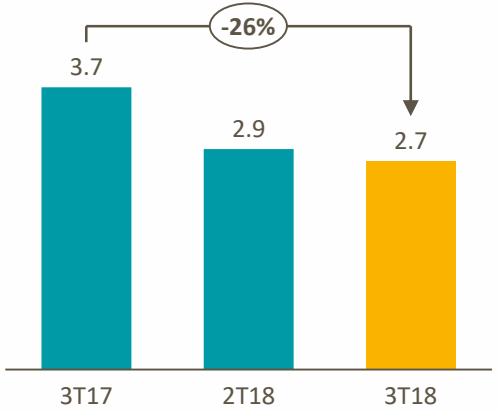
Average Tenure



Consolidated Net Debt (R$ bn)

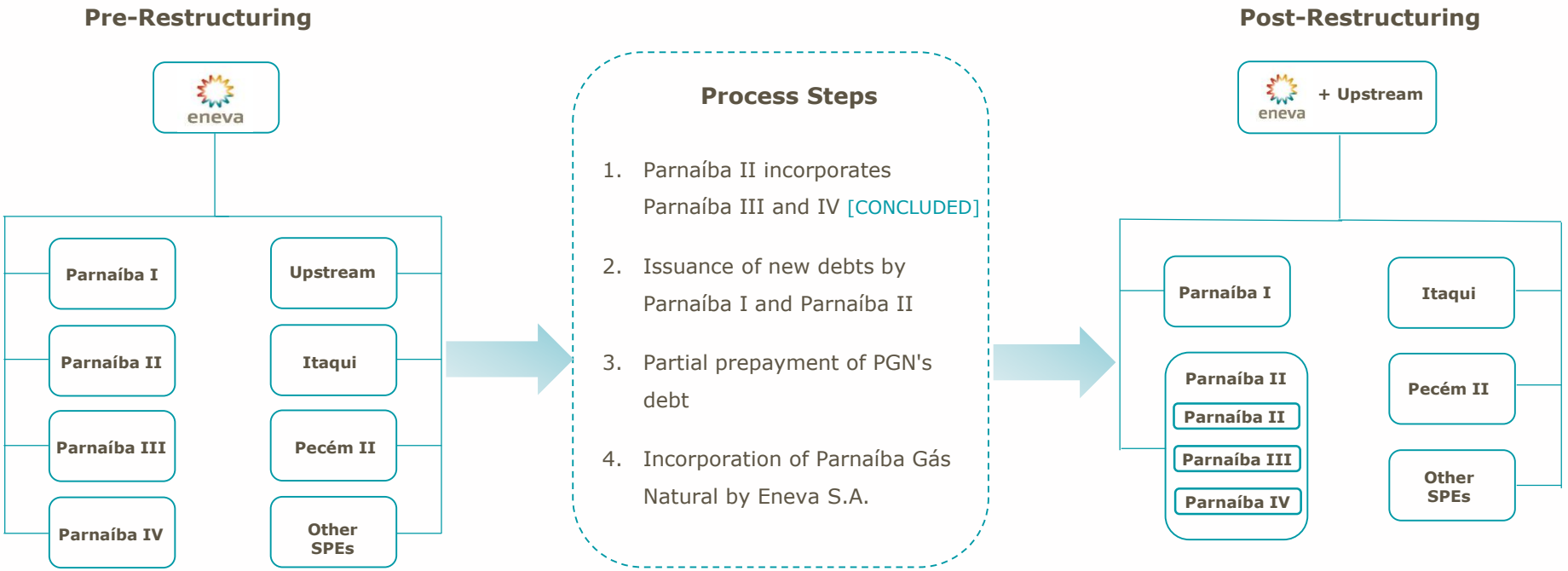


Consolidated Net Debt /Adjusted EBITDA LTM (x)



Corporate and Capital Structure Restructuring

Corporate Structure

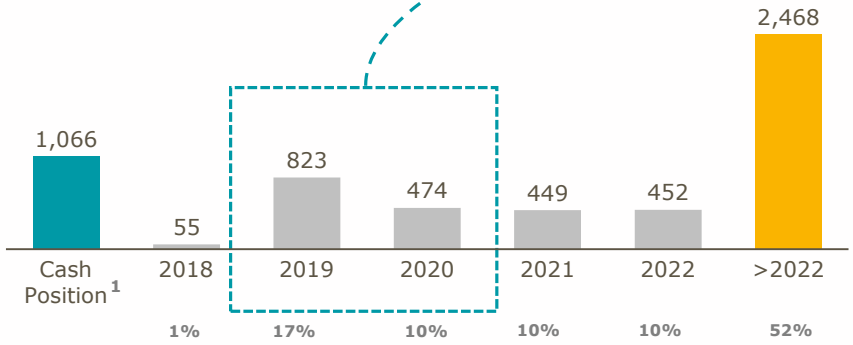


Corporate and Capital Structure Restructuring

Debt Maturity Schedule

Pre execution[2]
In R$ mm – September 2018

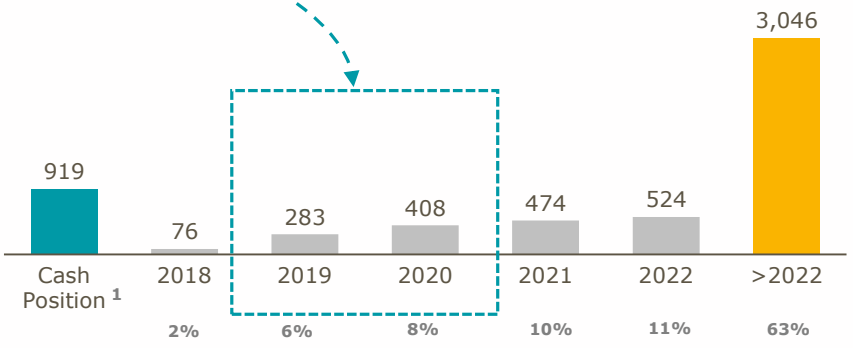
- Gross Debt: R$ 5,247mm
- Average Tenure: 4.1 years



-47%

Post execution[2]

- Gross Debt: 5,284mm
- Average Tenure: 4.7 years



(1) Consolidated cash position includes availability + bonds and securities + escrow accounts to financing and (2) Pecém II debt is included



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