



COPEL

Pura Energia

2Q19 Results

- Daniel Pimentel Slaviero - CEO
- Adriano Rudek de Moura - CFO

08.16.2019

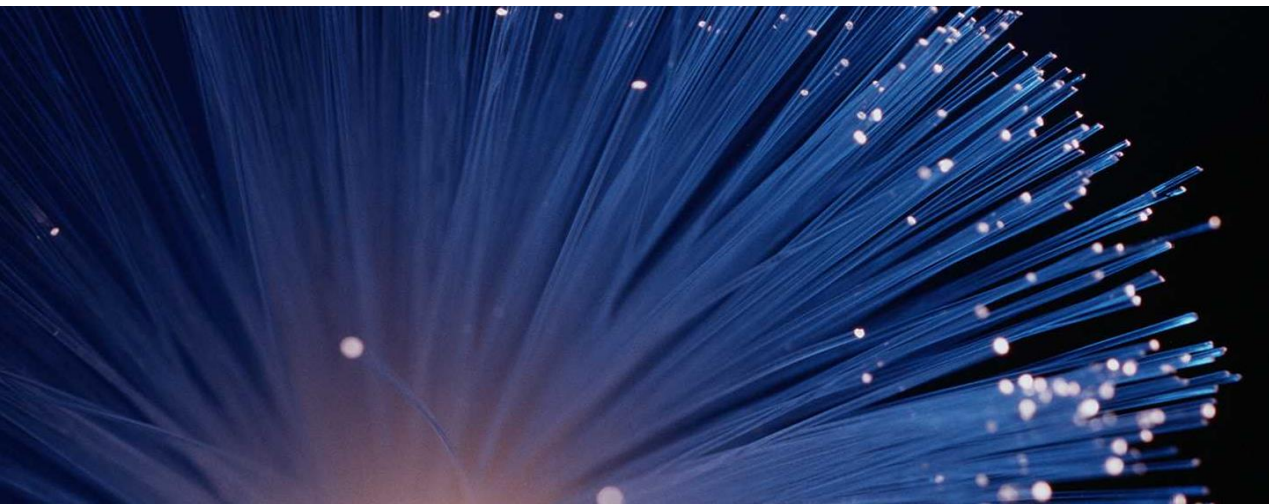
Disclaimer

Any statements made during this conference call involving Copel's business outlook or financial and operating forecasts and targets constitute the beliefs and assumptions of the Company's Management, and the information currently available. Forward-looking statements are not guarantees of performance and involve risks, uncertainties and assumptions, given that they refer to future events, and thus are dependent on circumstances that may or may not occur. The general economic conditions, industry conditions and other operating factors could come to affect the future performance of Copel and lead to results that are materially different from those expressed in said forward-looking statements.



Business Overview

Daniel Slaviero - CEO



Copel continues to advance in various aspects...

2Q19 - Consistent Results

Adjusted EBITDA of R\$1.0 billion in 2Q19 (+ 30%) and R\$2.1 billion in 1H19 (+27%)

Operating cash generation of R\$1.1 billion in 2Q19 (R\$2.5 billion in 1H19)

Leverage of 2.6x (vs. 3.1x in 2Q18)

Copel Dis practically achieves regulatory EBITDA (gap of only 1%)

Advance in Projects

Start-up Before the Schedule of Lot E projects

- ✓ SE 230 kV Medianeira (3 months)
- ✓ LT 230kV Baixo Iguaçu – Realeza (1 year and 7 months)

SPC Mata de Santa Genebra - New Schedule

Recognition of the robustness and quality of the Copel Group

Fitch upgrades Copel's National Rating to 'AA (bra)'

Issue of R\$1.0 billion in debentures – Copel GeT and R\$500 million in debentures – Copel Hol

Copel DIS - Abradee Award

Continuous Improvement of Corporate Governance

Opening of capital of Copel GeT – B Category

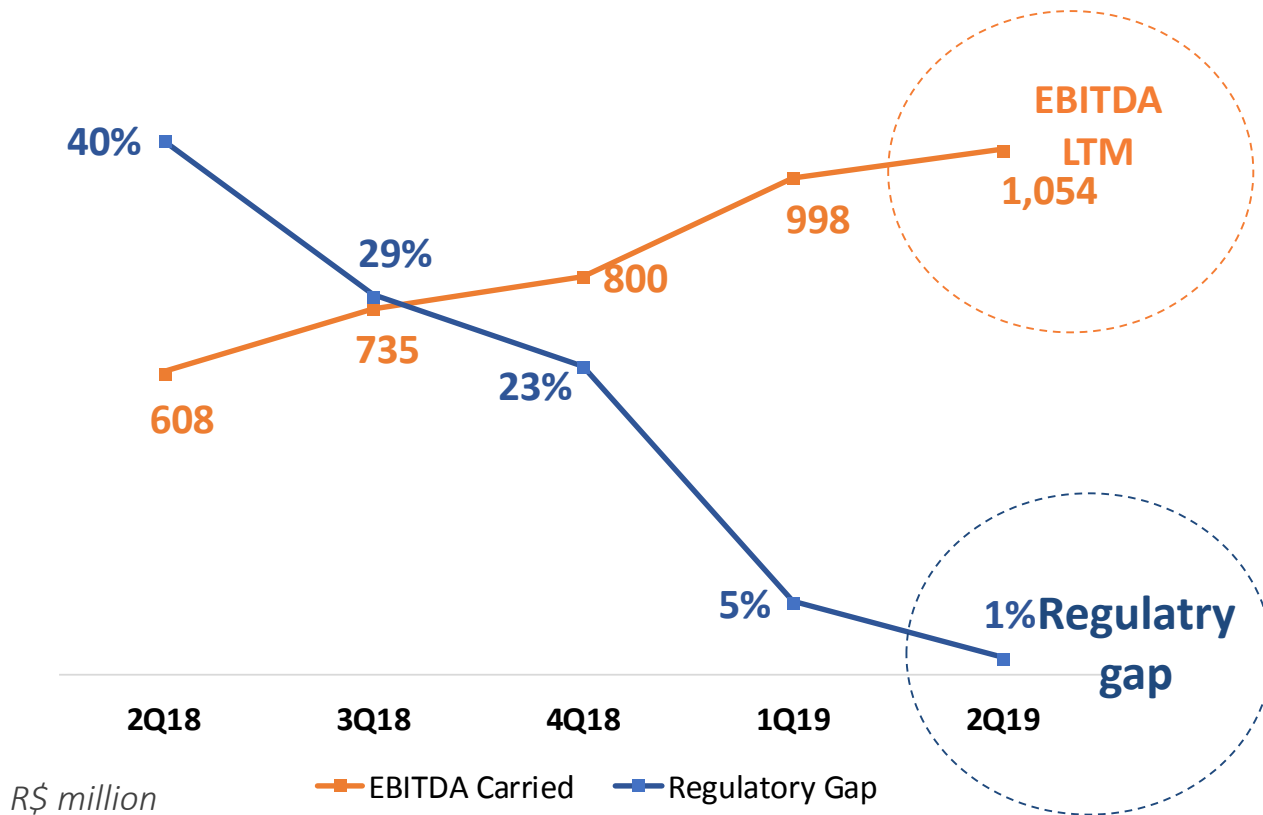
Copel Telecom - Hiring of Legal and Financial Advisors

Copel DIS - full application of the adjustment

Copel Distribuição

Focus on regulatory EBITDA

Efficient execution of an “aggressive plan” for operational improvement and cost reduction



EBITDA of R\$287 million in 2Q19 (+24%) and R\$617 million in 1H19 (+70% vs. 1H18)

Growth of 1.4% in grid market in 2Q19 (+3.2 in 1H19)

-1.9% in PMSO (-8.9% in 1H19)

The *Travessia Plan*: started at the end of 2015 with the renewal of the concession

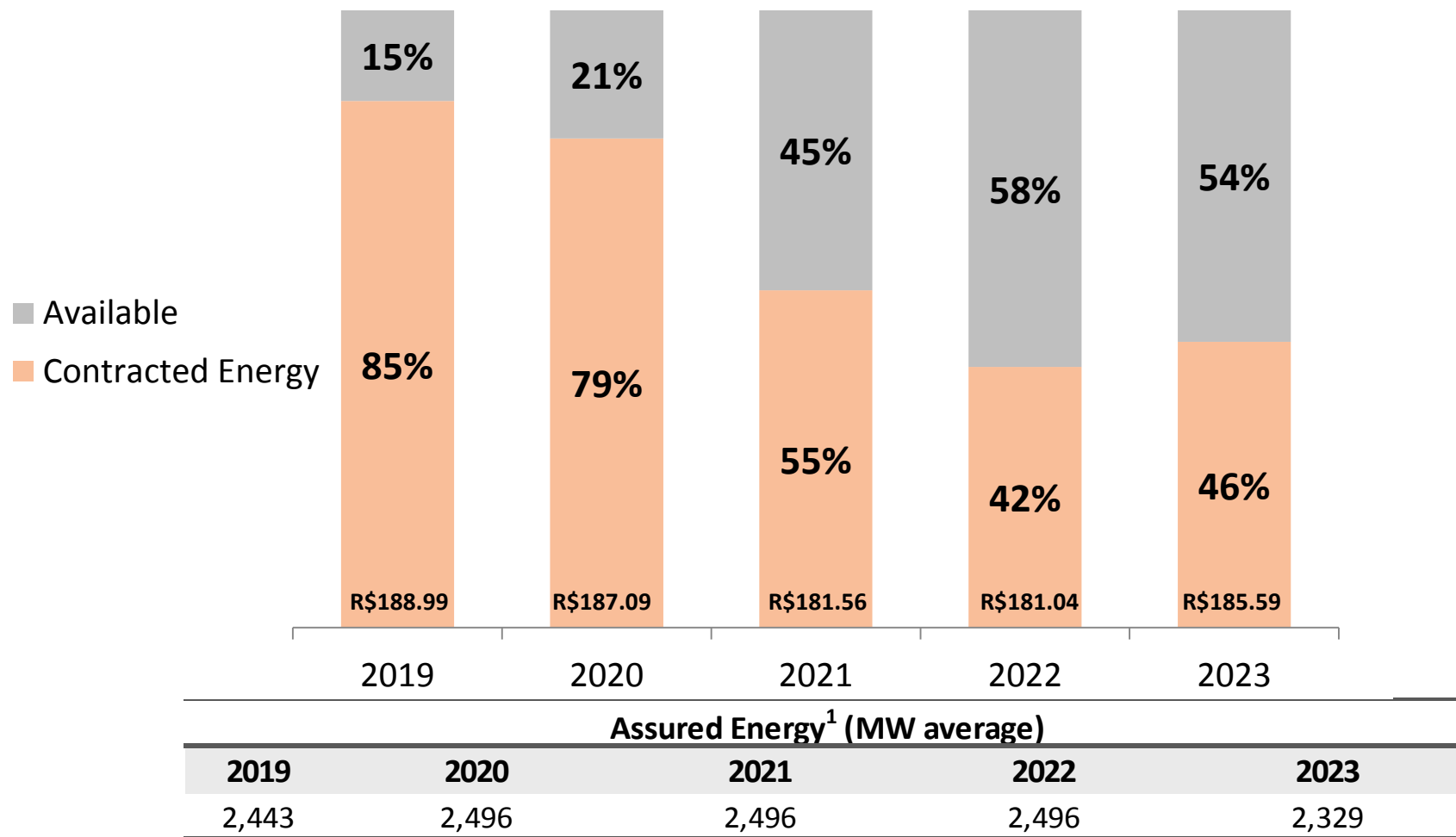
Capex: R\$835 million in 2019;
R\$205 million in 2Q19 (+40%)
R\$411 million in 1H19 (+68%)

Focus in innovation

Copel GeT Consolidado (HPPs and Wind Farms)

Focus on energy contracting strategy

Synergy between GeT and Com to improve energy hiring



¹ Considers all contracts in Regulated Market, Free Market, Assured Power Quota Contract (CCGF) and SPCs. Average Prices (R\$/MWh).

Value enhancement strategy

Construction of the New Strategic Plan

Continuous Improvement of Corporate Governance

Efficiency improvement and cost reduction

Discipline in capital allocation

Regulatory EBITDA target at COPEL – DIS and RAB increased

Leverage stabilization

Divestment – Telecom and Compagas

Completion of investments in progress (SPP Bela Vista, TL-Lot E, etc)

Granting fee – HPP Foz do Areia (Sep/23)

Innovation Projects: distributed generation, electric mobility, smart grid and services

Gas regulatory framework

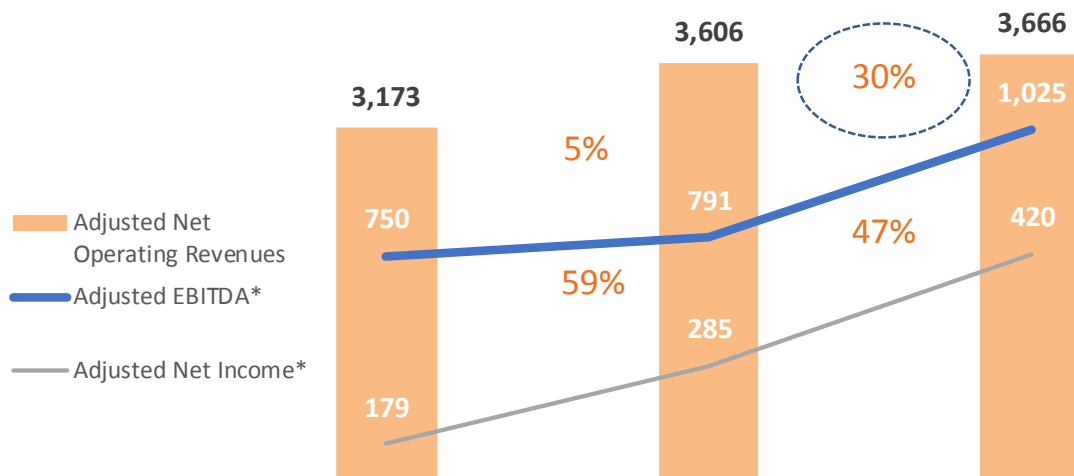
Creation of the Investment Committee

A photograph of a wind farm at sunset. The sky is a deep orange-red, and the sun is a bright yellow circle on the horizon. Several wind turbines are visible as dark silhouettes against the sky. A high-voltage power line tower is also visible in the distance.

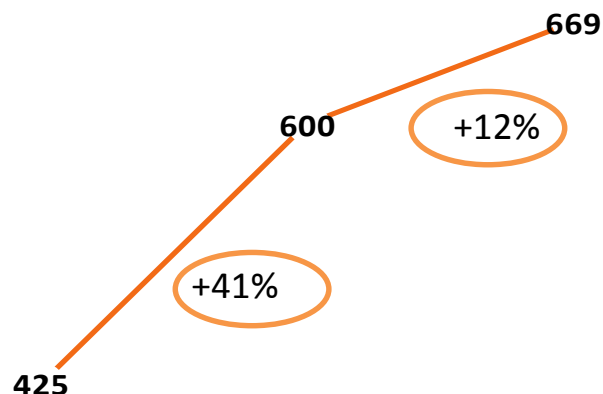
Results 2Q19

Adriano Rudek de Moura - CFO

Consistent second quarter result



Operational cash generation after investments



R\$ million

Improved performance of Copel's main businesses, especially for Copel Dis

Increase in the volume of energy sold to final consumers 2.3% in 2Q19

Industrial free Market of Copel GeT and Com 17.7%

Additional revenue from new projects (Baixo Iguaçu, Colíder, Cutia and other) ~ R\$100 million of additional revenue in the quarter and R\$47 million in EBITDA

Grid market Growth 1.4% in 2Q19

Reduction of 15.9% with electricity purchased for resale: improvement in the hydrological scenario

Reduction of personnel costs of 1.7%

* Adjusted EBITDA, in 2Q19, by impairment of generation assets and transmission subsidiaries with non-controlling interest; and, in 2Q18, adjusted by impairment of generations assets, provisions for litigation and reimbursement from suppliers for the Brisa Potiguar wind farm complex.

Adjusted EBITDA

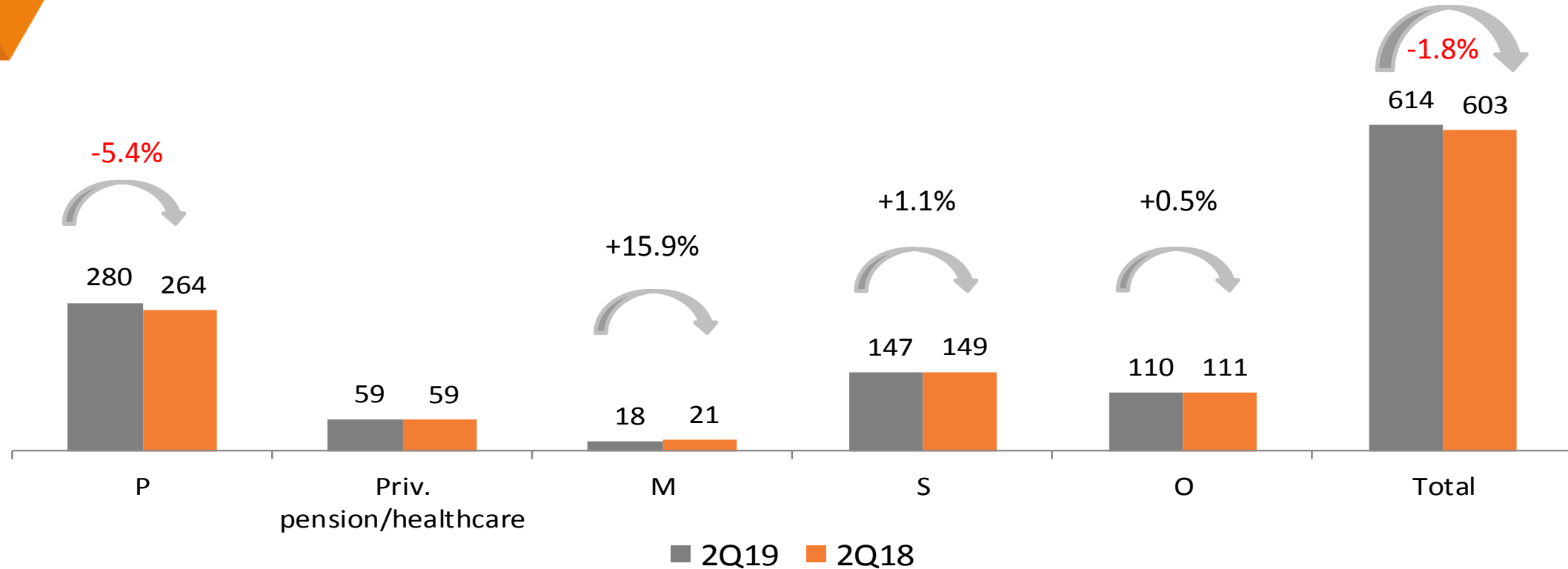
Adjusted EBITDA by Subsidiary

Subsidiary	2Q19	2Q18	Var.%	1H19	1H18	Var.%
Copel GeT	630.3	448.4	45.2	1,287.4	1,015.2	26.8
Copel Dis	287.1	275.6	4.2	616.9	475.7	29.7
Copel Telecom	33.2	44.2	(24.9)	69.1	80.7	(14.4)
Copel Comercialização	19.2	(6.0)	-	23.6	(16.2)	-
Other/Elimination	55.2	28.6	93.1	121.5	112.7	7.8
Consolidated	1,025.0	790.8	29.6	2,118.5	1,668.1	27.0
EBITDA Margin	28.0%	21.9%	27.5	28.0%	24.0%	16.8

Consolidated Adjusted EBITDA Breakdown

Adjusted EBITDA	2Q19	2Q18	Var.%	1H19	1H18	Var.%
EBITDA	947.0	836.0	13.3	2,039.2	1,620.1	25.9
(-)/+ Impairment	13.9	(18.0)	-	19.3	(15.1)	-
(-)/+ Impairment in transmission subsidiaries with non-controlling interest	64.1	-	-	60.0	-	-
(-)/+ Provision for Voluntary Dismissal Program - PDI	-	(0.2)	-	-	91.0	-
(-)/+ Provisions for litigation	-	45.1	-	-	69.3	-
(-)/+ Tax Credit - Pasep	-	-	-	-	(25.1)	-
Adjusted EBITDA	1,025.0	790.8	29.6	2,118.5	1,668.1	27.0
(-)/+Equity	(55.4)	(38.1)	-	(67.7)	(82.9)	(18.3)
Adjusted EBITDA without equity method	969.6	752.7	28.8	2,050.8	1,585.2	29.4

Adjusted Manageable Costs¹ decreased by 1.8%



Reduction of 5.4% in personnel and administrative costs

Reduction of 8.5% in real terms (IPCA 3.37% in the last 12 months)

Reduction of 566 employees in the last 12 month

Policy of not filling job vacancies

Salary Adjustment of 3.97% in October/18

¹ Personnel costs ajusted by profit sharing; Other ajusted by the non-recurring effect of the reimbursement from suppliers in 2Q18 (R\$72.1 million).

* Does not consider estimated losses, provisions and reversals.

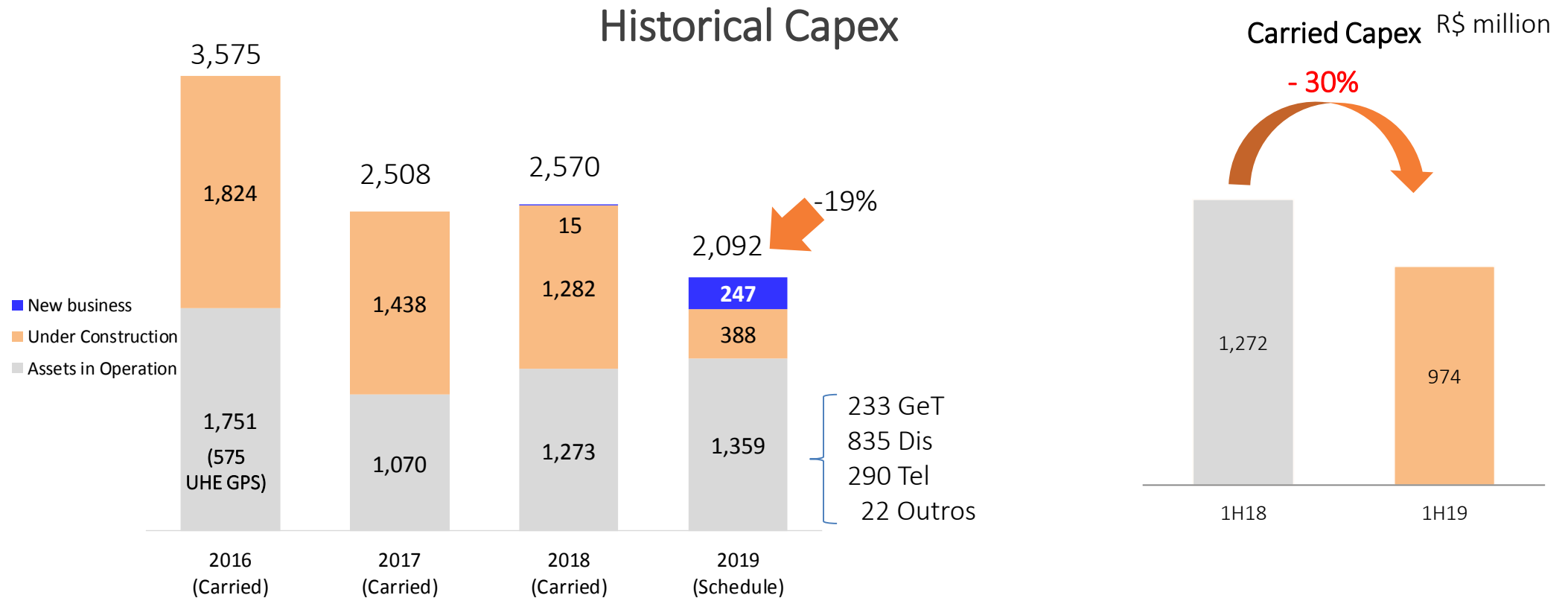
Operational Cash Generation

R\$ million

Cash Flow	2Q19	2Q18	1H19	1H18
EBIT	686	646	1,556	1,253
D/A	261	190	483	367
Change in operating assets and liabilities	133	259	417	419
CASH GENERATED FROM OPERATING ACTIVITIES	1,080	1,095	2,456	2,039
Investments flow ¹	(411)	(495)	(774)	(934)
Cash flow after investments	669	600	1,682	1,105

¹ Does not consider transmission assets according to ICPC 01 IFRIC 12

Reduction of the investment plan for 2019



Discipline in capital allocation
Completion of projects

Investments in technology
Quality and efficiency
Cost reduction

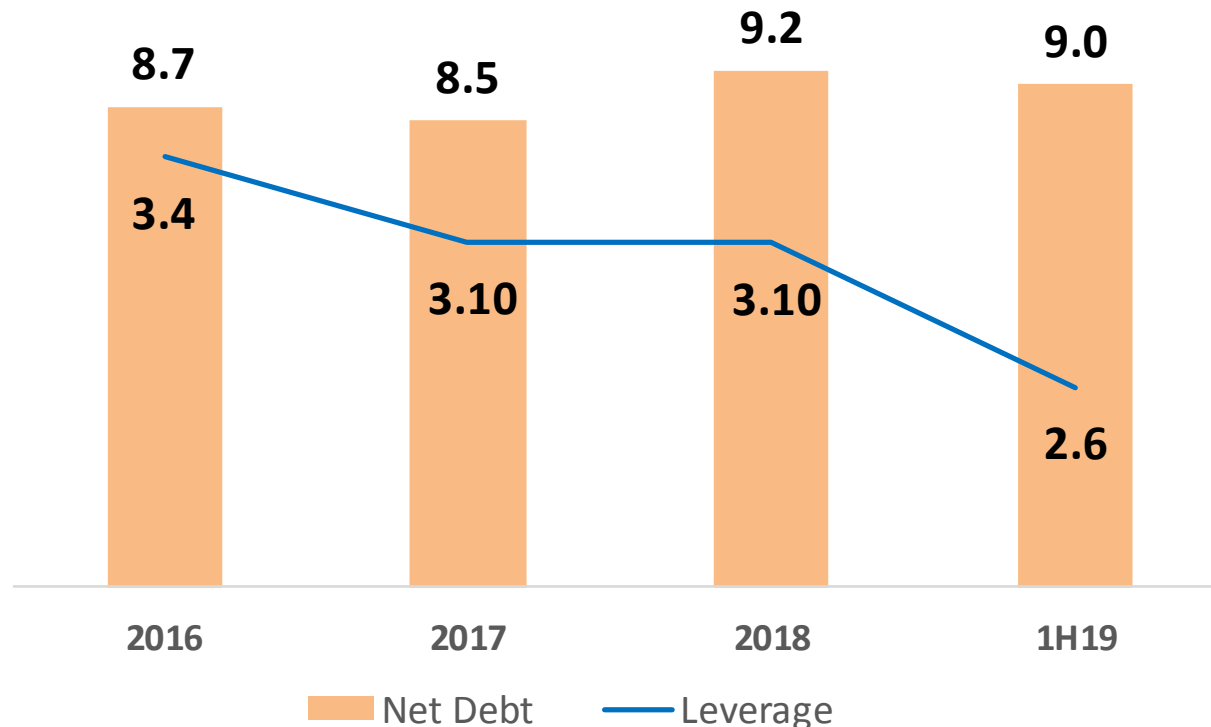
¹ Capital budget originally approved by the Board of Directors and revised by Board of Directors, the last update at the 193th Ordinary Meeting of the Board of Directors, with an increased of R\$ 77.6 million for the amount originally forecast for SPE Mata de Santa Genebra Transmissão. These values do not consider appropriation due to own labor, interest and others.

LEVERAGE INDEX

NET DEBT / EBITDA

Leverage reduction based on additional cash generation and investment plan reduction

R\$ billion



Reduction of net debt due to higher cash generation

Consistent growth of EBITDA

Fundraising of R\$2.7 billion

Average cost of 8.43%

65% of debt is indexed to CDI (Interbank Deposit Certificate Rate)



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