

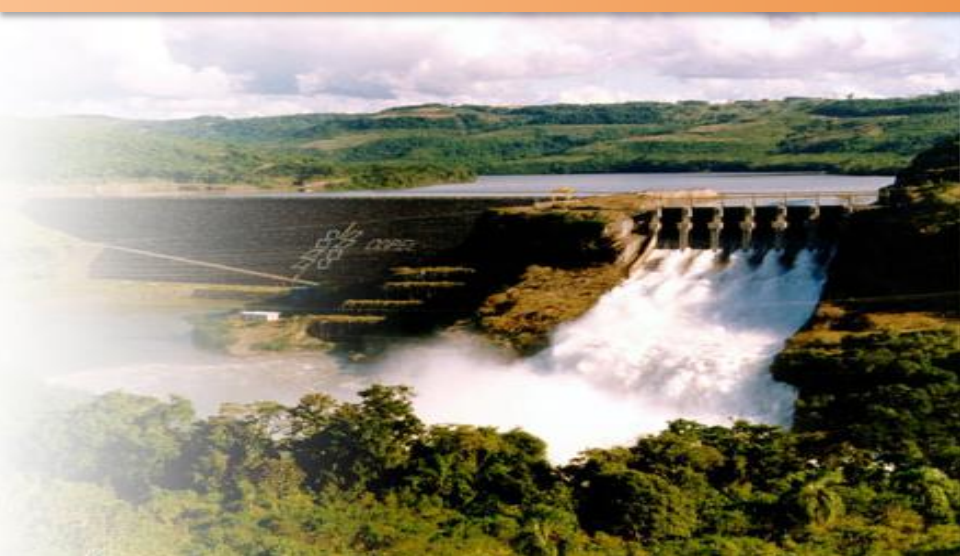
# 1Q19 Results

**Daniel Pimentel Slaviero , CEO**  
**Adriano Rudek de Moura, CFO**

**05.15.2019**

*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

## ⚡ | Solid Financial Results in 1Q19

- ✓ Record EBITDA of R\$1.1 billion in 1Q19 (+ 39%)
- ✓ Operating cash generation of R\$1.4 billion (+ 46%)
- ✓ R\$506.0 million of Net income (+ 42%)
- ✓ Leverage reduction to 2.6x (vs. 3.3 in 1Q18)

## ⚡ | Relevant Projects in Commercial Operation

- ✓ HPP Colíder – two generating units in commercial operation
- ✓ HPP Baixo Iguaçu – 100% in commercial operation
- ✓ Cutia Wind Complex – 95% in commercial operation

## ⚡ | Quality Recognition of the Copel Group

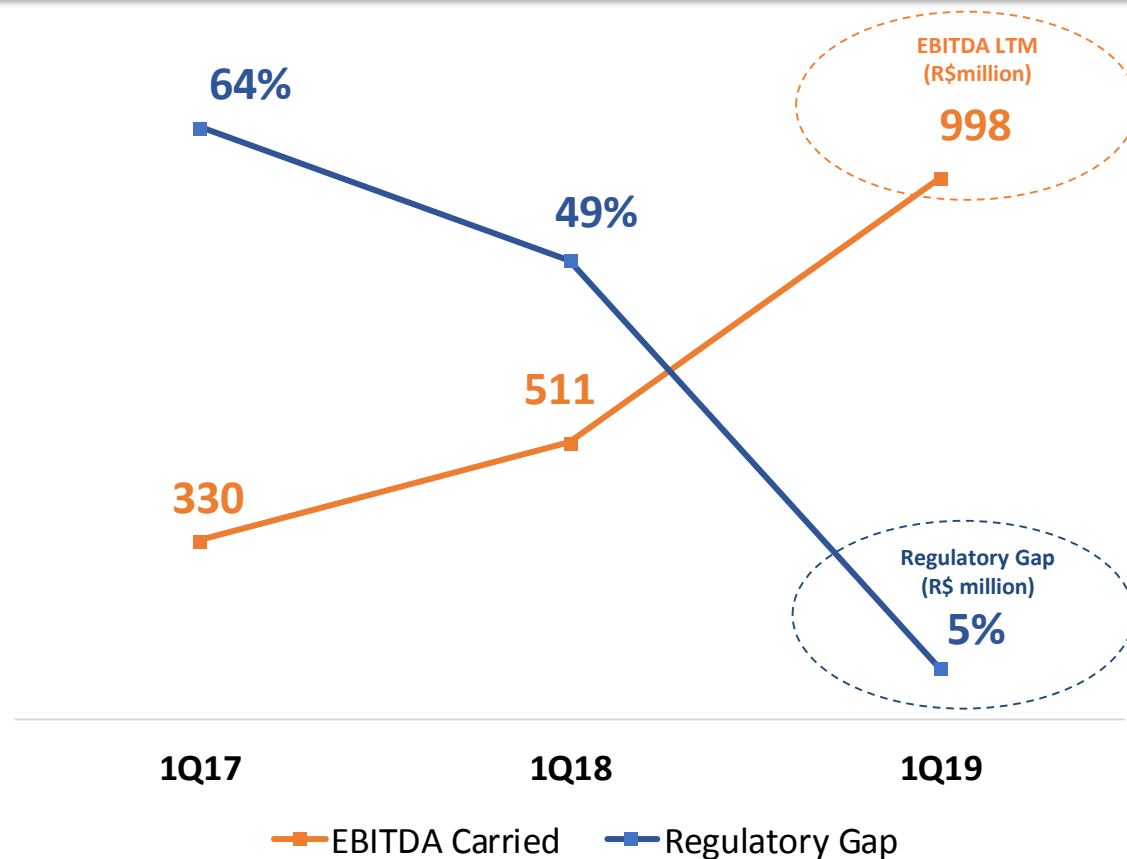
- ✓ Copel's Internal Audit receives international certification (Quality Assessment - IAA)

## ⚡ | Continuous Improvement of Corporate Governance

- ✓ New composition of the Board of Directors, Statutory Audit Committee, Supervisory Board and Nomination and Evaluation Committee
- ✓ Opening of capital of Copel GeT – B Category (in progress)



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



- ✓ EBITDA of R\$330 million in 1Q19 (+151,1% vs. 1Q18)
- ✓ Growth of 5.1% in grid market in 1Q19
- ✓ Reduction of 15.1% in PMSO
- ✓ R\$206.0 million capex in 1Q19 (+91.6% vs. 1Q18)

- ✓ Continuous Improvement in Profitability
- ✓ Efficiency improvement and cost reduction
- ✓ Discipline in capital allocation
- ✓ Regulatory EBITDA target at COPEL - DIS
- ✓ Leverage reduction
- ✓ 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: Distributed generation, electric mobility, smart grid and services



A photograph of a wind farm at sunset. The sky is a deep orange and red, with a bright sun low on the horizon. Several wind turbines are silhouetted against the sky. A power line tower is visible in the distance. The overall mood is serene and industrial.

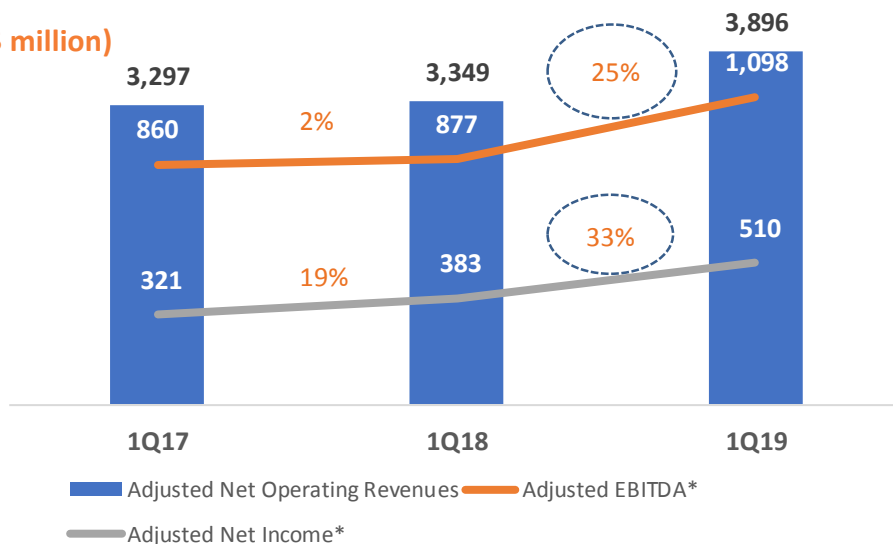
# Results 1Q19

Adriano Rudek de Moura, CFO

# The best results of a 1<sup>st</sup> Quarter...

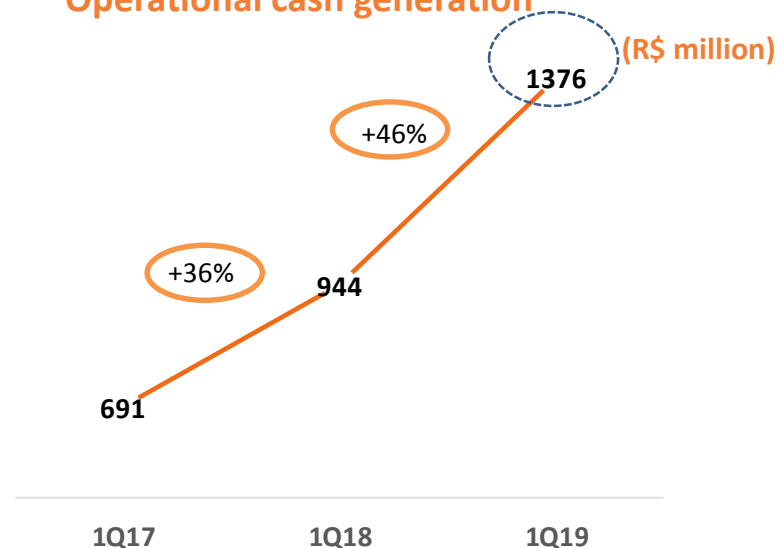
## Net Revenue, Adjusted EBITDA and Adjusted Net Income

(R\$ million)



## Operational cash generation

(R\$ million)



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

- ✓ **Reduction of personnel costs (includes pension and healthcare plan) ... 23.8% (R\$107 million)**
- ✓ **Growth in grid market ... 5.1% in 1Q19**
- ✓ **Increase in the volume of energy sold to final consumers ... 6.8% in 1Q19**
  - **Industrial free market of Copel GeT and Com... 11.2%**
  - **Residential Captive Market... 4.7%**
- ✓ **Start of Revenue in the contracts of HPP Baixo Iguaçu, HPP Colíder and WPP Cutia... ~R\$91 million of additional revenue in the quarter**

\* Adjusted EBITDA in 2017 refers to the recognition of the RBSE and, in 2017 and 2018, the provision for Voluntary Dismissal Program (PDI) and impairment.



## Breakdown Adjusted EBITDA<sup>1</sup>

R\$ million

Subsidiary	1Q19	1Q18	Var.%
Copel GeT	606.6	525.6	15.4
Copel Dis	329.8	200.1	64.8
Copel Telecom	35.9	36.5	(1.7)
Other/Elimination	125.3	115.1	8.9
<b>Consolidated</b>	<b>1,097.5</b>	<b>877.3</b>	<b>25.1</b>
<b>EBITDA Margin</b>	<b>28.2%</b>	<b>26.2%</b>	<b>7.5</b>

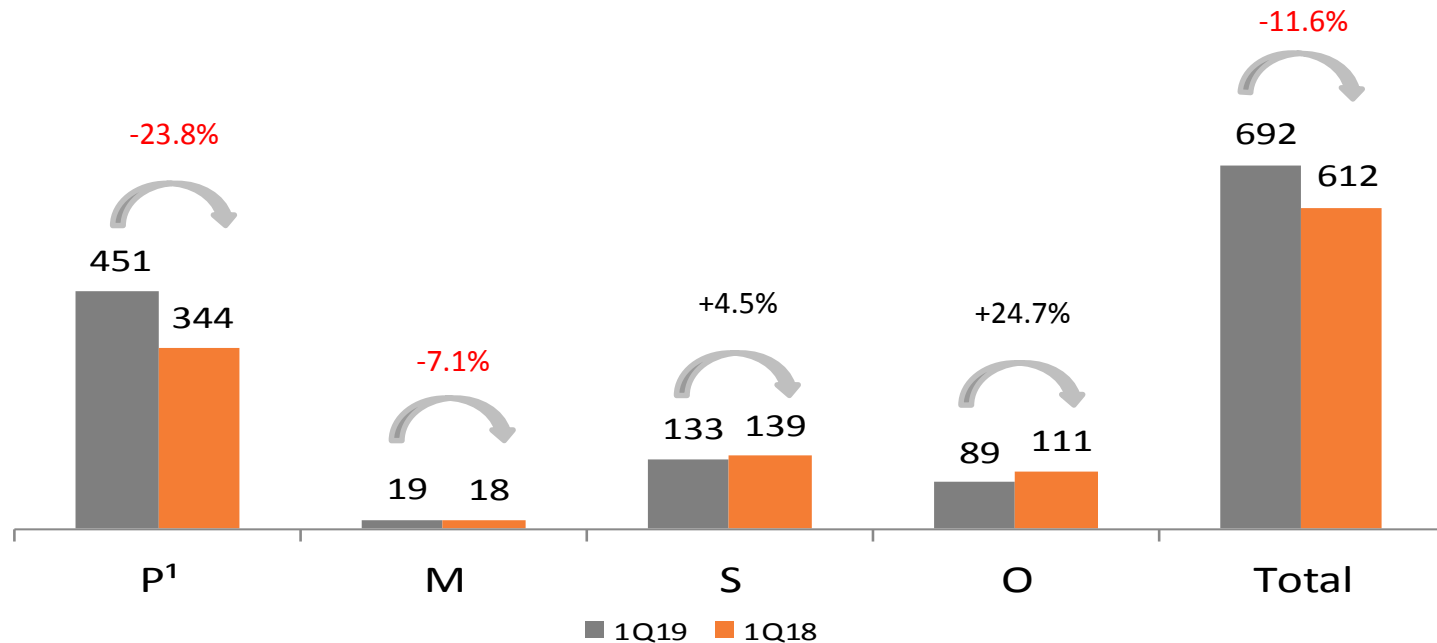
## Adjusted EBITDA by Subsidiary<sup>1</sup>

Adjusted EBITDA	1Q19	1Q18	Var.%
<b>EBITDA</b>	<b>1,092.1</b>	<b>784.1</b>	<b>39.3</b>
(-)/+ Impairment	5.4	2.9	-
(-)/+ Provision for Voluntary Dismissal Program - PDI	-	91.2	-
(-)/+ Provisions for litigation	-	24.2	-
(-)/+ Tax Credit - Pasep	-	(25.1)	-
<b>Adjusted EBITDA</b>	<b>1,097.5</b>	<b>877.3</b>	<b>25.1</b>
(-)/+Equity	(16.4)	(44.8)	(63.4)
<b>Adjusted EBITDA without equity method</b>	<b>1,081.2</b>	<b>832.5</b>	<b>29.9</b>

<sup>(1)</sup> Consolidated EBITDA adjusted for the non-recurring events identified in Copel GeT, Copel Distribuição and Copel Telecom.

# Reducing manageable costs ...

R\$ million



- ✓ Reduction of 590 employees in the last 12 month
- ✓ R\$91.2 million for Provision for Voluntary Dismissal Program (PDI) in 1Q18
- ✓ Salary Adjustment of 3.97% in October/18
- ✓ Policy of not filling job vacancies
- ✓ Line of "Others" impacted by losses in the deactivation of infrastructure

<sup>1</sup> Considers personnel and management and pension and healthcare plan.

# Operational Cash Generation...

R\$ million

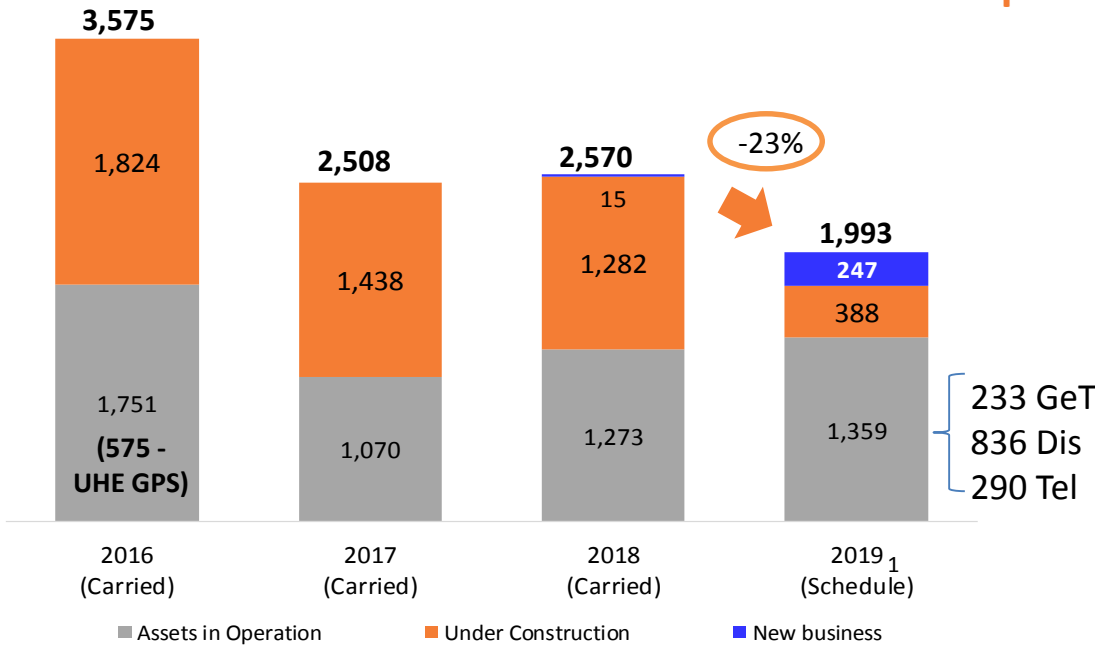
Cash Flow	1Q19	1Q18
EBIT	869	607
D/A	223	177
Change in operating assets and liabilities	284	160
<b><i>CASH GENERATED FROM OPERATING ACTIVITIES</i></b>	<b>1,376</b>	<b>944</b>
Investments flow <sup>1</sup>	(355)	(439)
<b>Cash flow after investments</b>	<b>1,021</b>	<b>505</b>

<sup>1</sup> Does not consider transmission assets according to ICPC 01 IFRIC 12

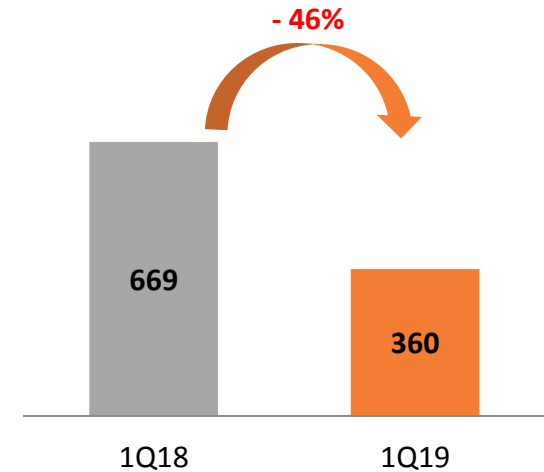
# Reduction of the investment plan for 2019...

R\$ million

## Historical Capex



## Carried Capex



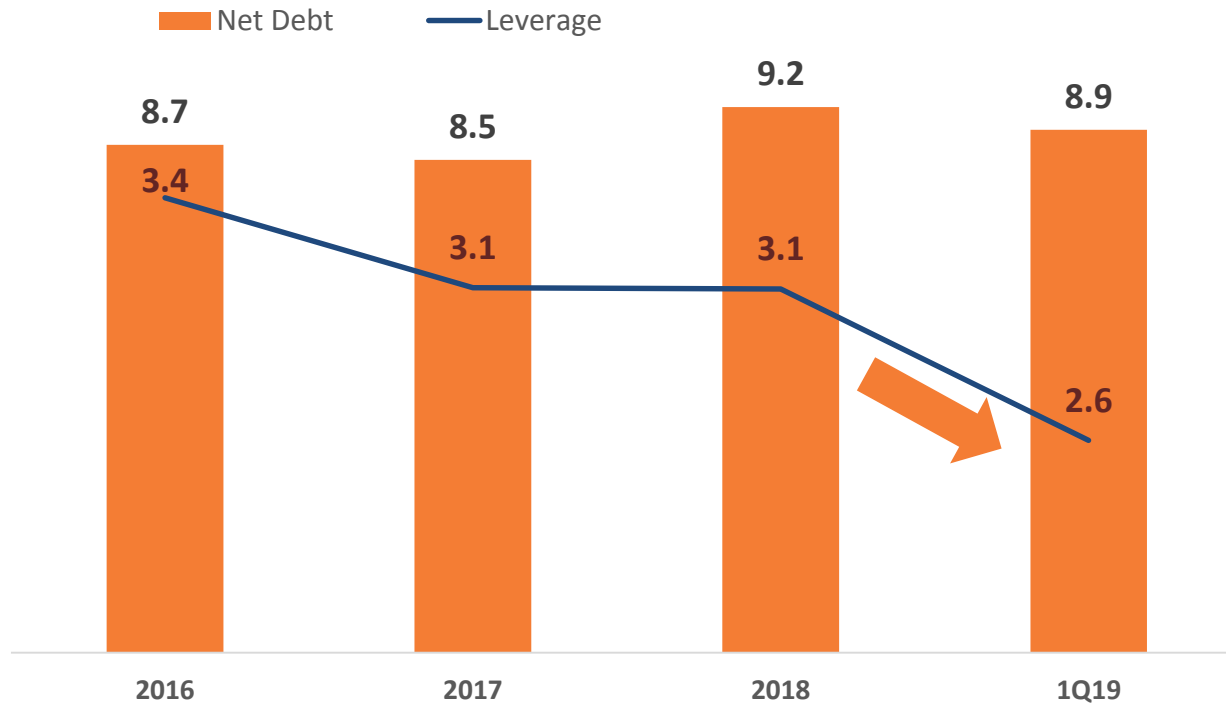
- ✓ Discipline in capital allocation
- ✓ Quality and efficiency
- ✓ Completion of projects
- ✓ Cost reduction
- ✓ Investments in technology

<sup>1</sup> Capital budget originally approved by the Board of Directors at the 184<sup>th</sup> Ordinary Meeting of the Board of Directors, updated at the 186<sup>th</sup> Ordinary Meeting of the Board of Directors, with an increased of R\$ 26.2 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)

R\$ billion



- ✓ Reduction of net debt due to higher cash generation
- ✓ Consistent growth of EBITDA
- ✓ Average cost of 8.58%
- ✓ 69% of debt is indexed to CDI (Interbank Deposit Certificate Rate)



## Investor Relations

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