

APRESENTAÇÃO CORPORATIVA

Janeiro 2020

equatorial
ENERGIA

Quem somos 

Quem somos



DISTRIBUIÇÃO

Alagoas
Maranhão
Pará
Piauí

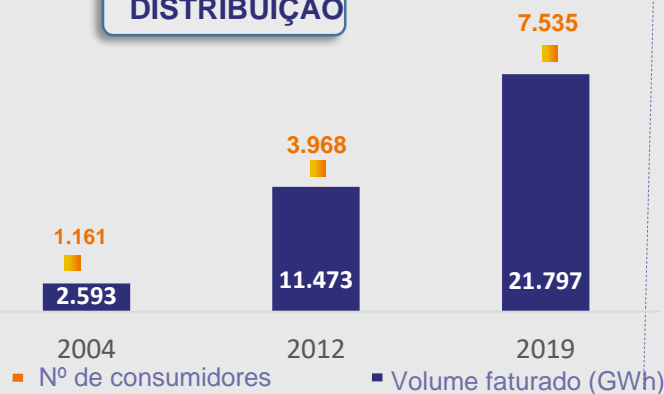
TRANSMISSÃO

SPEs
Intesa

OUTROS

Geramar
55 Soluções
Sol Energias

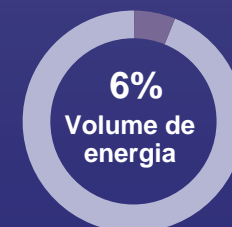
DISTRIBUIÇÃO



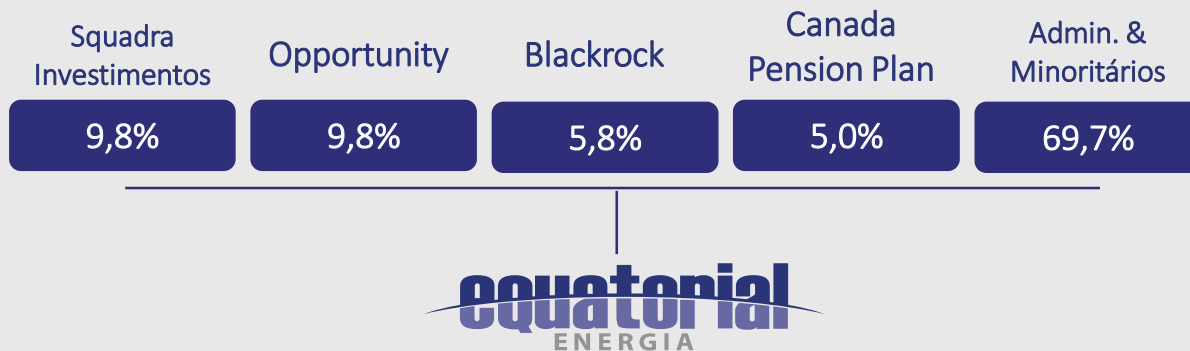
TRANSMISSÃO



GRUPO
equatorial
ENERGIA



Governança



- 100% Free Float, listada no Novo Mercado
- 7 conselheiros, dos quais 5 são independentes
- 2 ex diretores da Equatorial



O que nos faz Diferentes

 Modelo de gestão

 Modelo de turnaround

 Disciplina financeira

meritocracia

Cultura de alta performance

Gente que **assume desafios**, da o melhor de si e é **recompensada pelos resultados**

resultados

Somos **orientados a resultados**, traçamos e alcançamos metas desafiadoras

gente

O maior ativo da empresa é **gente competente**, engajada e trabalhando em equipe

liderança

Liderança inspiradora, responsável e que assume o seu papel



O que nos faz

Diferentes



Modelo de gestão



Modelo de turnaround



Disciplina financeira

Modelo de **turnaround**

Reestruturação

Otimizar a estrutura de capital

Investimento para **reforço e modernização** da rede elétrica

Simplificar estrutura organizacional e otimizar processos (controle rigoroso de custos, arrecadação e redução de perdas)

Reinvenção

Implementação da nova **cultura corporativa**

Regulação como elemento chave da estratégia

Angariar suporte de todos os **stakeholders**

Capital humano (atração, retenção, treinamento e meritocracia)

Continuidade

Crescimento **orgânico**

Contínua busca pela **produtividade e excelência operacional**

O QUE NOS diferencia

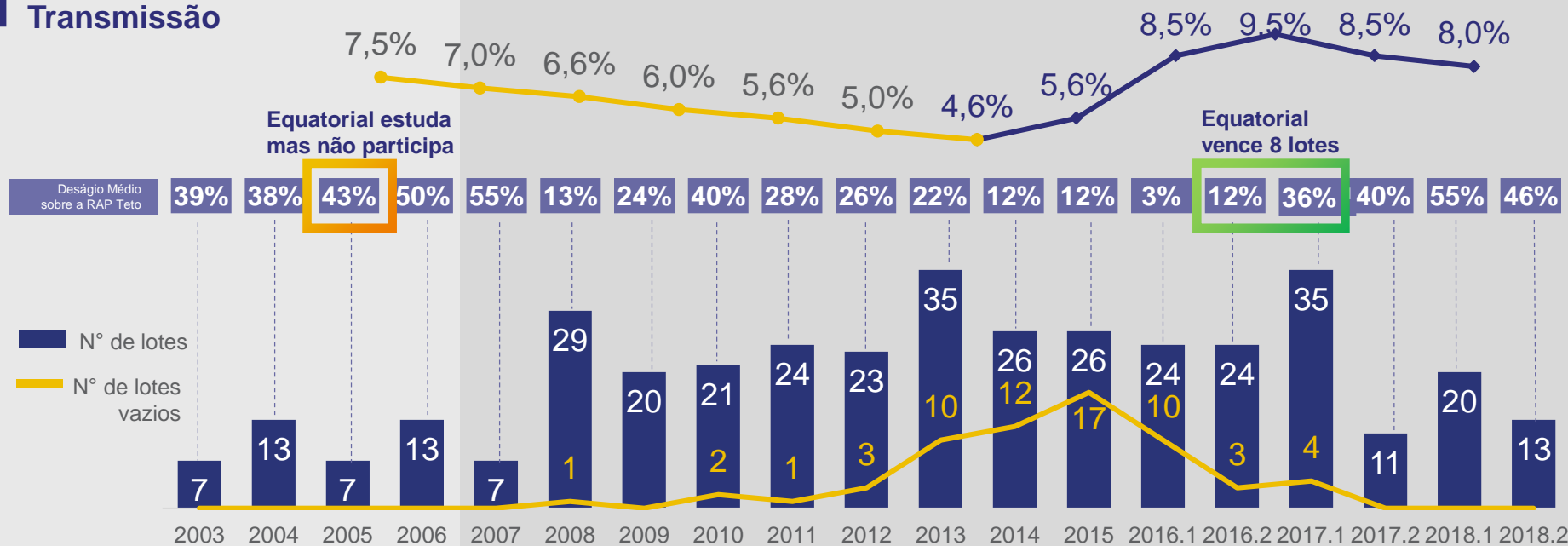
Modelo de gestão

Modelo de Turnaround

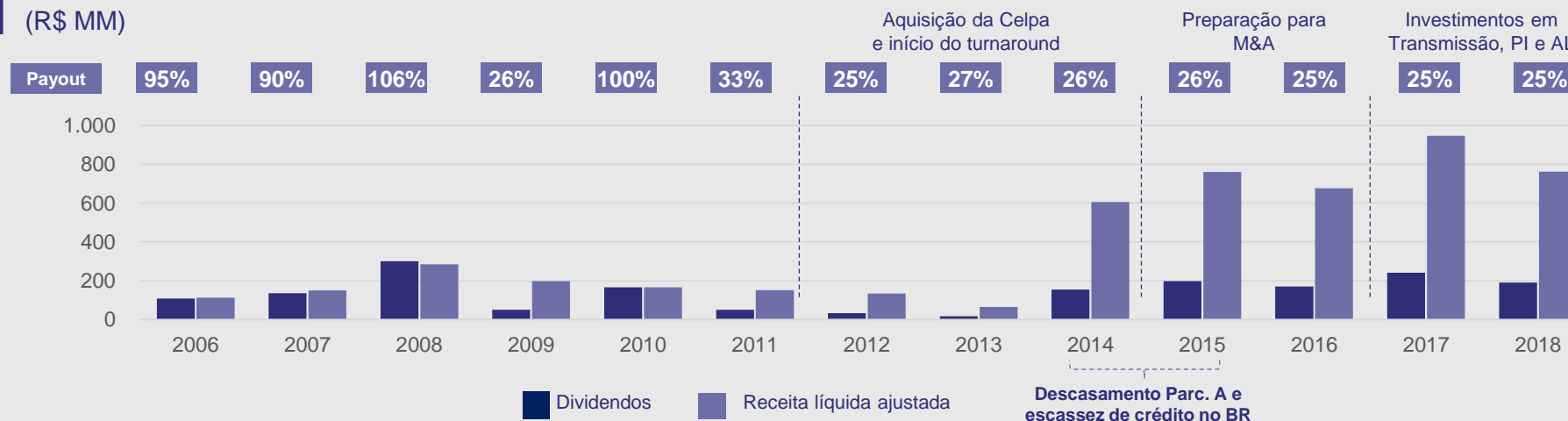
Disciplina financeira

WACC Regulatório

Histórico Leilões de Transmissão



Histórico de Dividendos (R\$ MM)

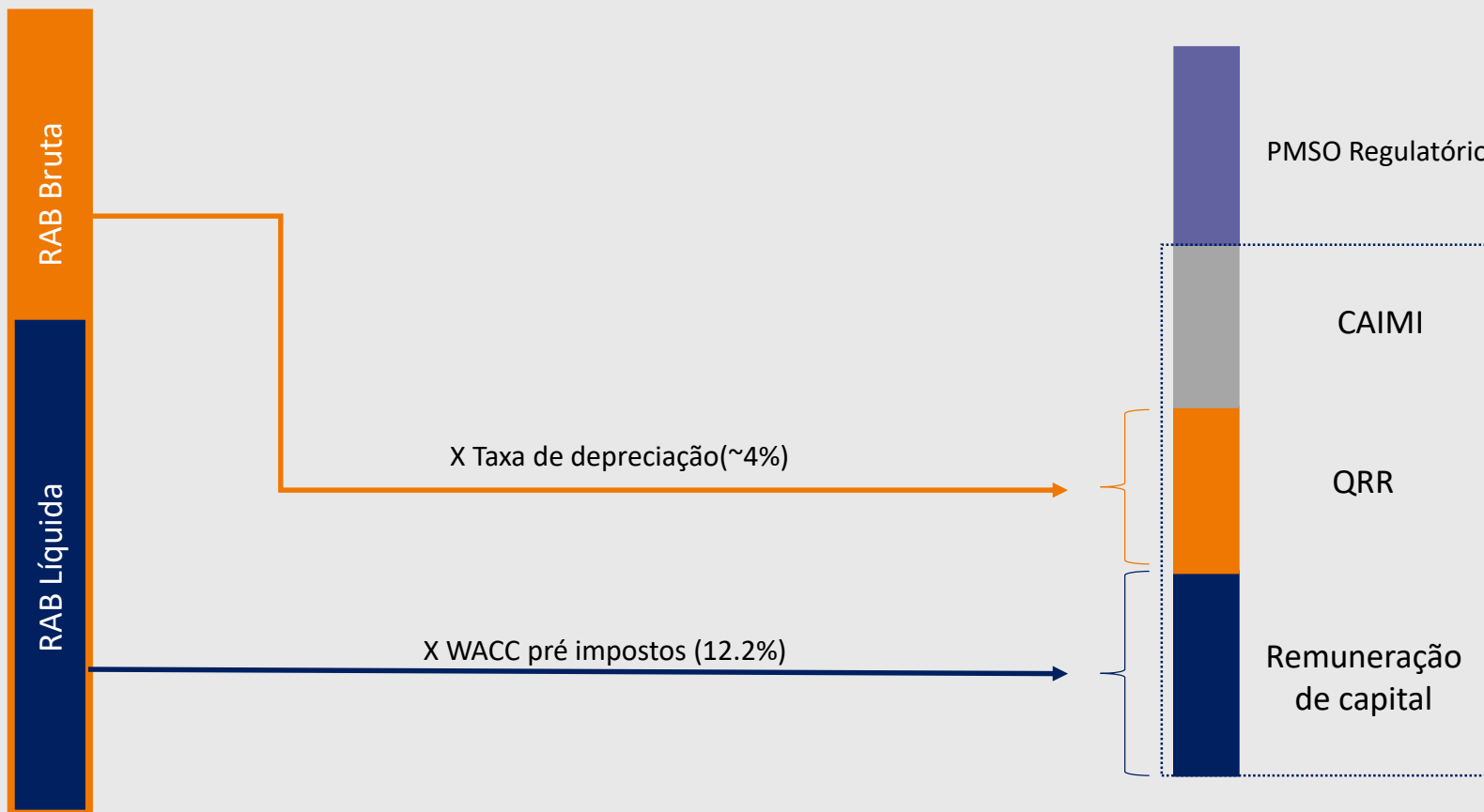


Performance do Negócio



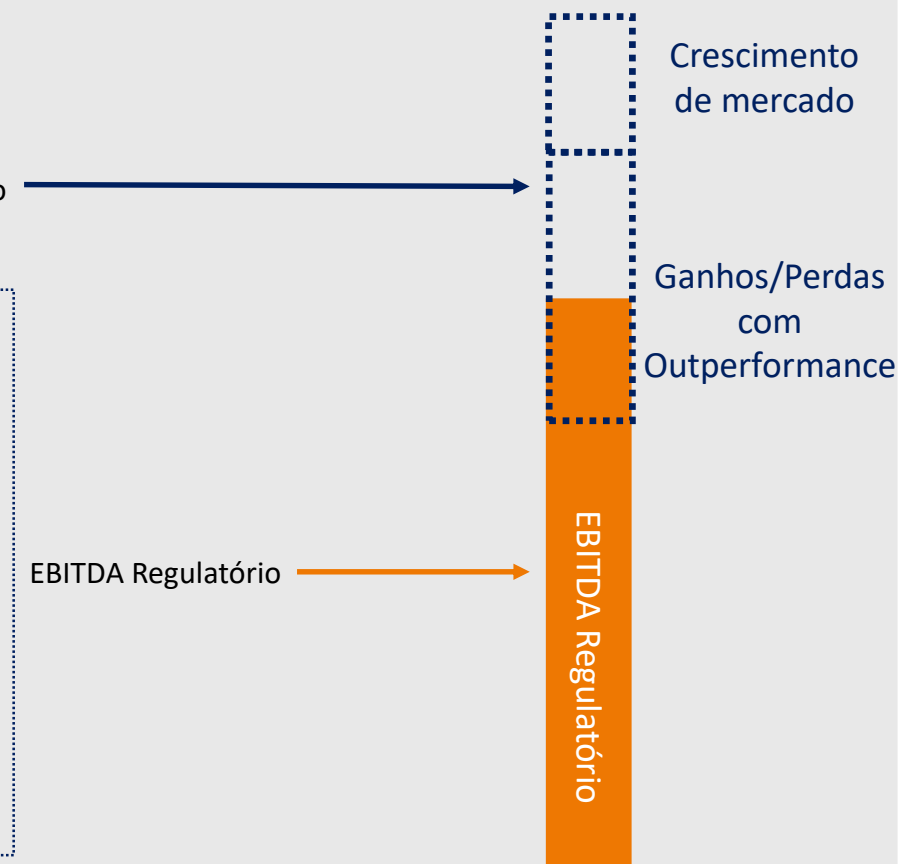
Como geramos caixa?

Base de Ativos Regulatória



Parcela B

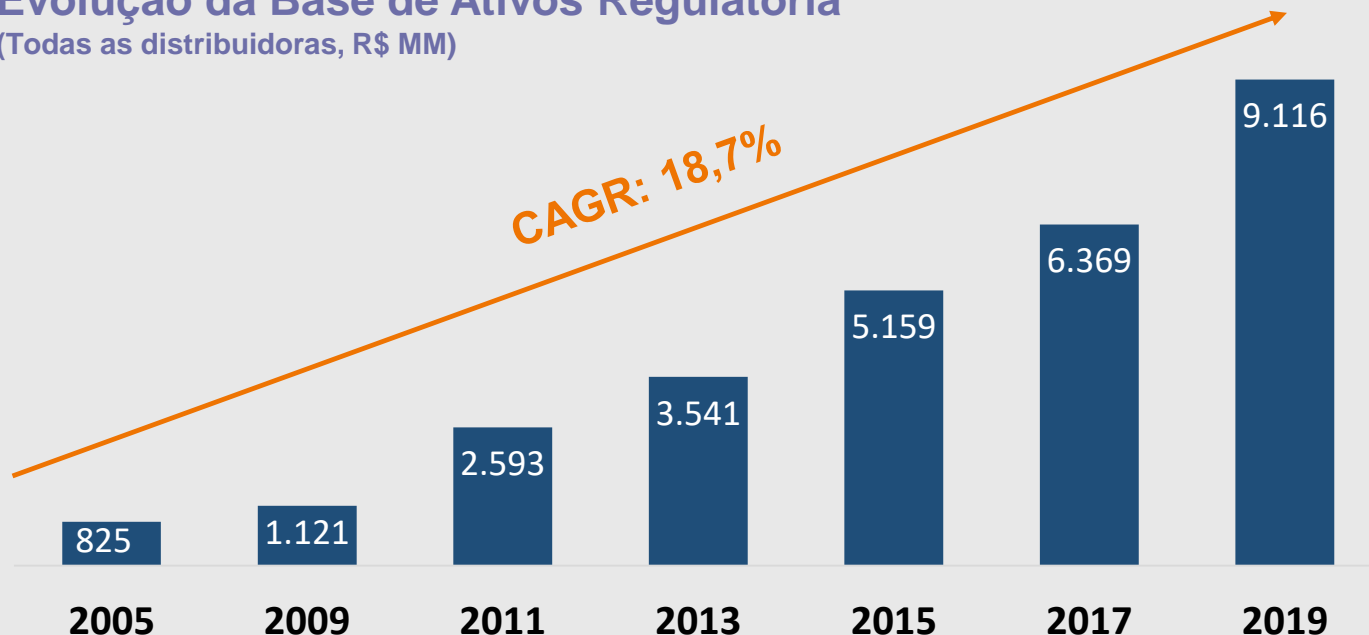
EBITDA



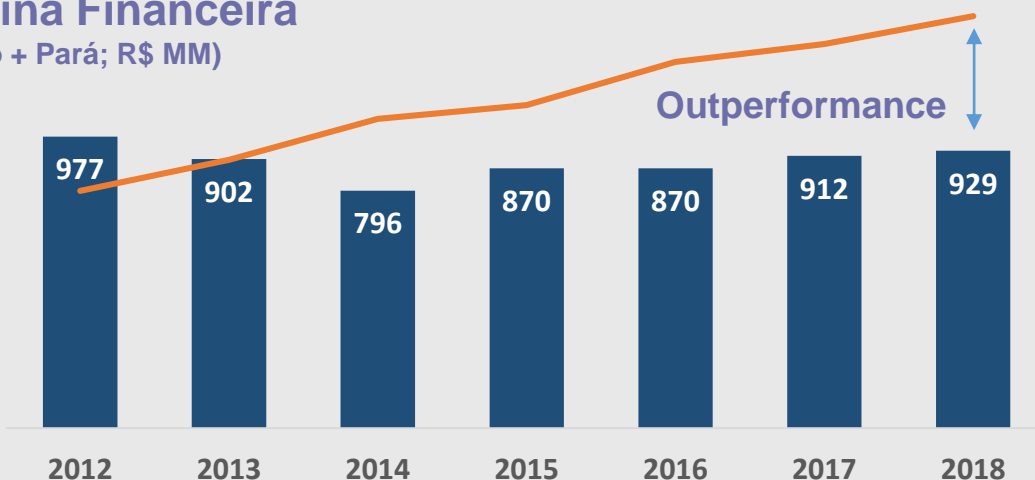
Crescimento e eficiência de custos



Evolução da Base de Ativos Regulatória (Todas as distribuidoras, R\$ MM)



Disciplina Financeira (Maranhão + Pará; R\$ MM)



WACC Regulatório

(Depois de impostos)



$$8,09\% / (1 - 34\%) = 12,26\%$$

Revisões tarifárias

| | RTP | RTP |
|----------|------|------|
| Maranhão | 2017 | 2021 |
| Pará | 2019 | 2023 |
| Piauí | 2013 | 2023 |
| Alagoas | 2013 | 2024 |

Revisão Tarifária Extraordinária - Pode ser requisitada até 3 anos após a aquisição

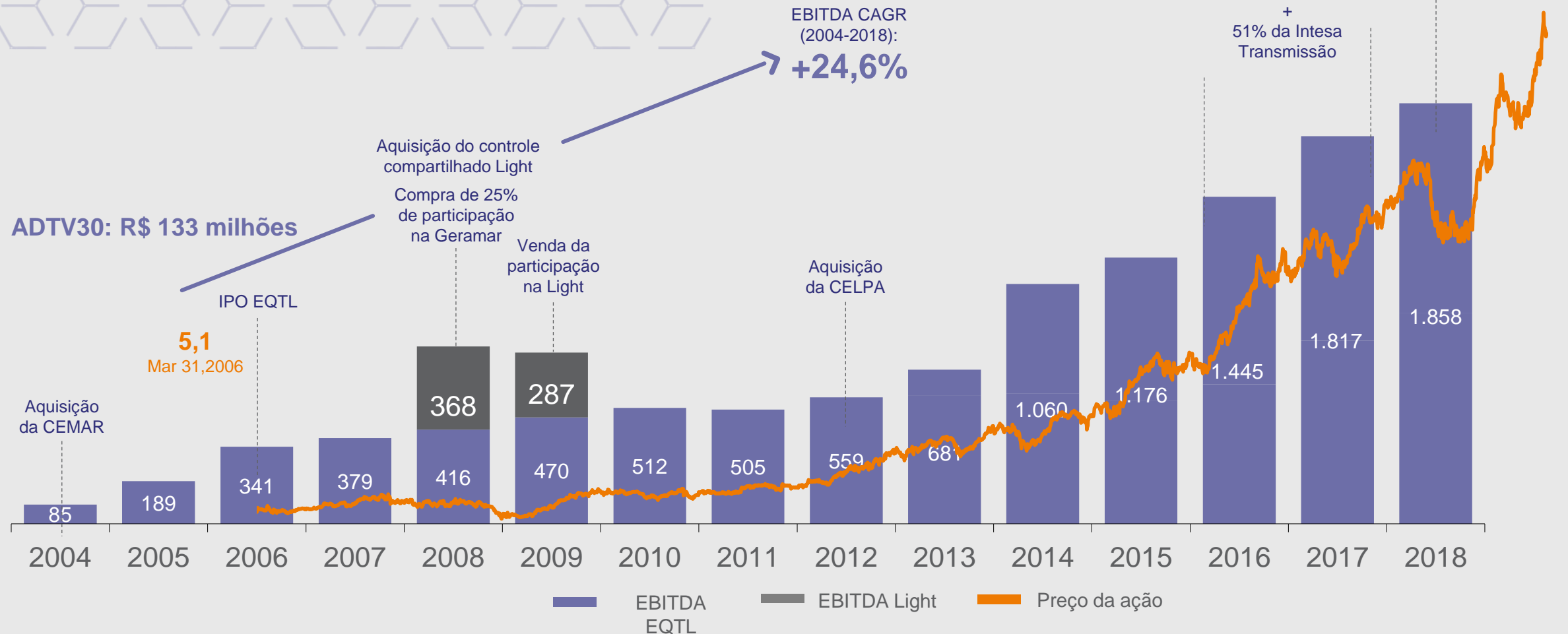
geração de valor

no longo prazo através do turnaround das operações e disciplina de alocação de capital

EBITDA CAGR
(2004-2018):

+24,6%

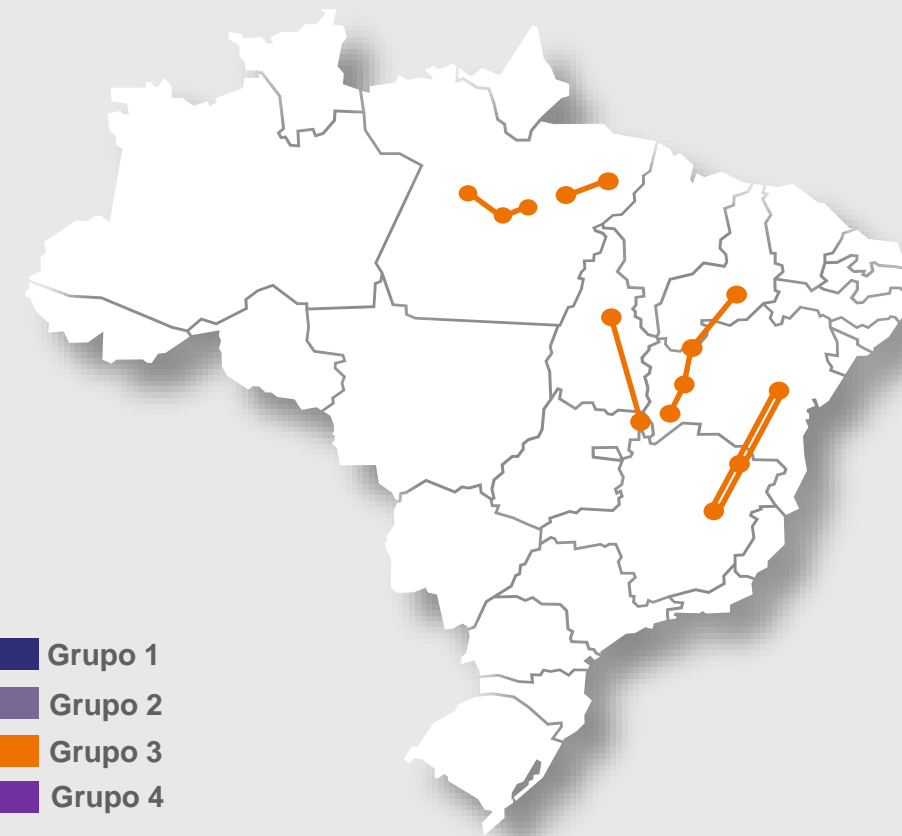
ADTV30: R\$ 133 milhões



101,94
Nov 12, 2019

Transmissão

| | SPE | Estado | km | Nº de subestações | Avanço Físico | Capex Regulatório | RAP | RAP Operacional | Licenças |
|---------|--------|--------|-------|-------------------|---------------|-------------------|-------|-----------------|----------|
| Grupo 1 | SPE 1 | BA | 251 | 1 | 98,4% | 496 | 87 | - | LI/LO |
| | SPE 2 | BA | 213 | | 100% | 519 | 79 | - | LI/LO |
| | SPE 3 | BA/PI | 380 | | 43,0% | 610 | 115 | - | LI |
| Grupo 2 | SPE 4 | BA/MG | 594 | 1 | 71,1% | 1,181 | 207 | - | LI |
| | SPE 5 | BA/MG | 257 | | 59,1% | 483 | 95 | - | LI |
| | SPE 6 | MG | 330 | | 14,7% | 562 | 118 | - | LI |
| Grupo 3 | SPE 7 | PA | 125 | 2 | 60,8% | 476 | 100 | - | LI/LO |
| Grupo 4 | SPE 8 | PA | 436 | 3 | 99,8% | 740 | 107 | 36* | LI/LO |
| | INTESA | TO/GO | 695 | 5 | 100,00% | - | 167 | 167 | - |
| Total | | | 3.281 | 12 | | 5.067 | 1.110 | 202 | |



*Com reforço

Funding

Transmission lines



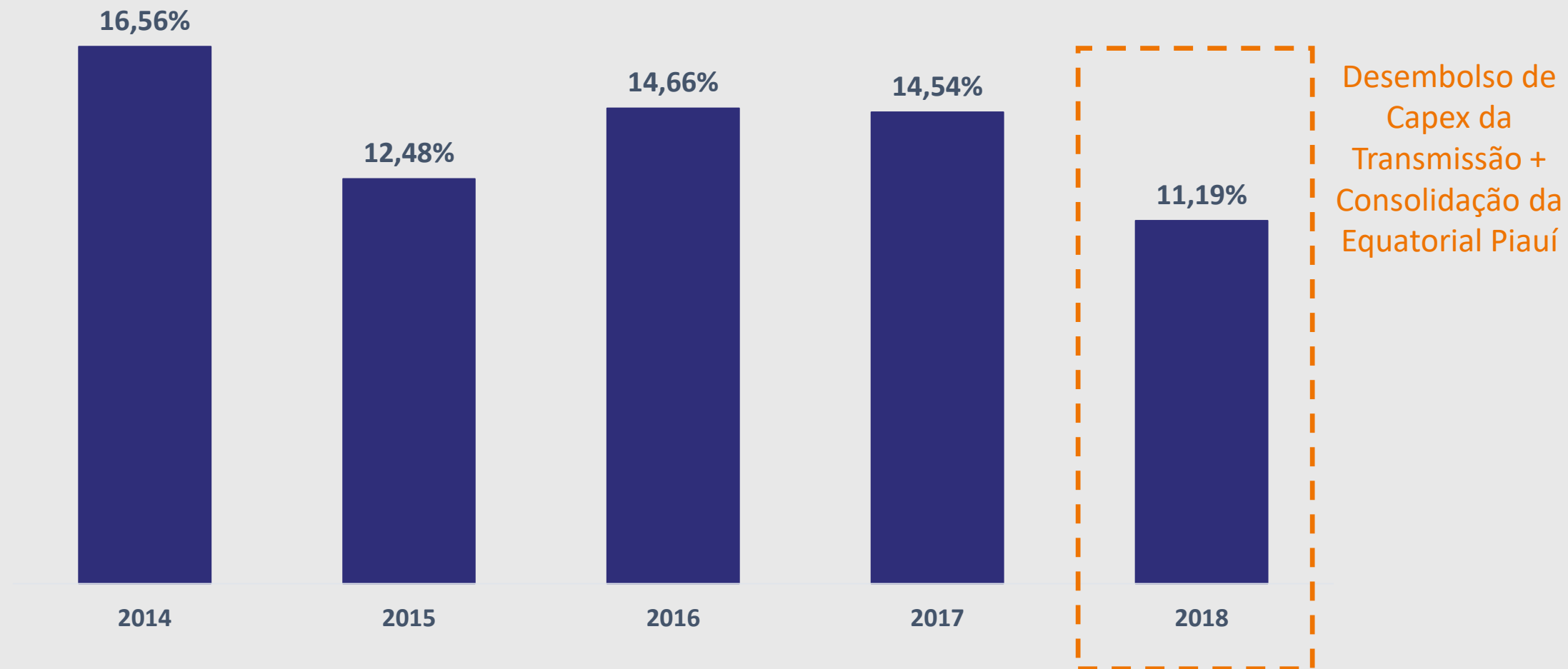
Average Leverage

80%

| | Source | Secured | Disbursed | % |
|-------------------------------------|-------------------|--------------|--------------|------------|
| SPV 1 | Banco do Nordeste | 343 | 338 | |
| | Debêntures | 55 | 55 | |
| | Total | 398 | 393 | 99% |
| SPV 2 | Banco do Nordeste | 353 | 319 | |
| | Debêntures | 45 | 45 | |
| | Total | 398 | 364 | 91% |
| SPV 3 | Banco do Nordeste | 425 | 346 | |
| | Debêntures | 90 | 90 | |
| | Total | 515 | 436 | 85% |
| SPV 4 | BNDES | 822 | 699 | 85% |
| SPV 5 | Banco do Nordeste | 356 | 201 | |
| | Debêntures | 66 | 66 | |
| | Total | 422 | 267 | 63% |
| SPV 6 | BNDES | 419 | 223 | 53% |
| SPV 7 | FDA | 293 | 76 | |
| | Debêntures | 130 | 130 | |
| | Total | 423 | 206 | 49% |
| SPV 8 | FDA | 495 | 194 | |
| | Debêntures | 189 | 189 | |
| | Total | 684 | 383 | 56% |
| Total Equatorial Transmissão | | 4,081 | 2,973 | 73% |

Retornos consistentes

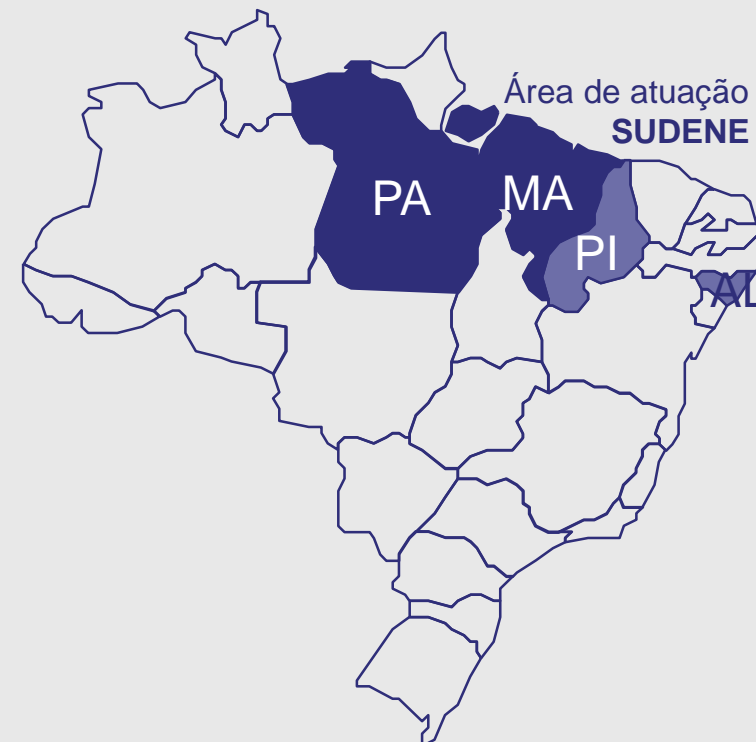
ROIC - Consolidado



Distribuição

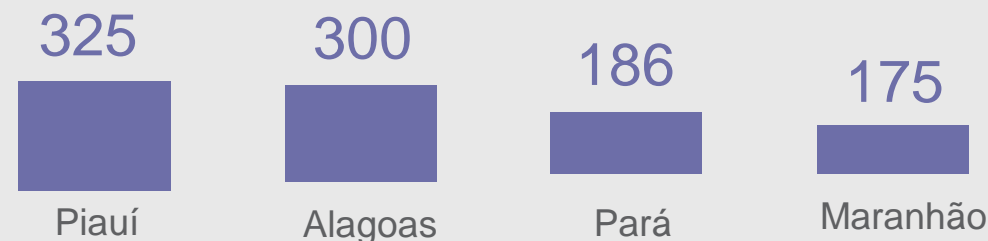


Distribuição



| | Piauí | Alagoas | Piauí + Alagoas | Maranhão | Pará |
|----------------------------------|--------|---------|-----------------|----------|---------|
| Consumidores (mil) | 1.246 | 1.157 | 2.403 | 2.492 | 2.644 |
| Extensão da Rede (Km) | 91.765 | 47.788 | 139.553 | 111.757 | 154.881 |
| Volume (GW/h) | 3.530 | 3.546 | 7.126 | 6.227 | 8.641 |
| Perdas Totais | 28% | 25% | - | 17% | 28% |
| PMSO Regulatório (R\$ MM) | 419 | 360 | 779 | 608 | 738 |

PMSO / Consumidor (R\$, 2018)



Ranking Qualidade (2019)

Maranhão ➡ 3º
Pará ➡ 7º

Ranking de Complexidade (2019)

Pará ➡ 1º
Maranhão ➡ 4º

Piauí e Alagoas

Ações implementadas



Gente

PDV + Desligamentos

39% redução no quadro em cada distribuidora



Contratos

Custos de contratos âncora (R\$ MM)

Alagoas

- 64%

Piauí

- 42%

- Economia de **R\$ 53,8 MM** nas duas companhias
- Todos os contratos foram renegociados



Imagem Institucional

Fortalecimento da marca

- Aumento de notícias positivas
- Aproximação de públicos estratégicos
- Campanhas publicitárias



Processos e Sistemas

- Migração do Call Center para a 55 Soluções
- Todos os sistemas foram implementados, exceto o comercial

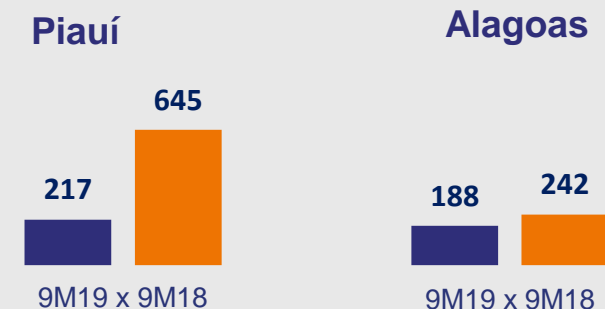


Resultados 9M18 X 9M19

EBITDA Recorrente



PMSO Recorrente



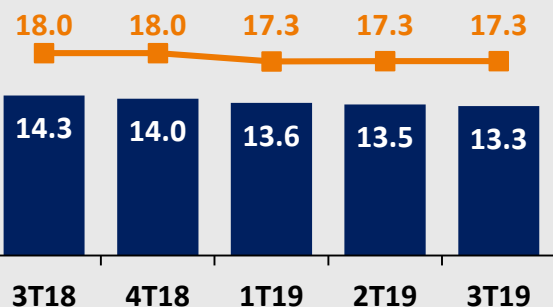
Distribuição

Resultados operacionais

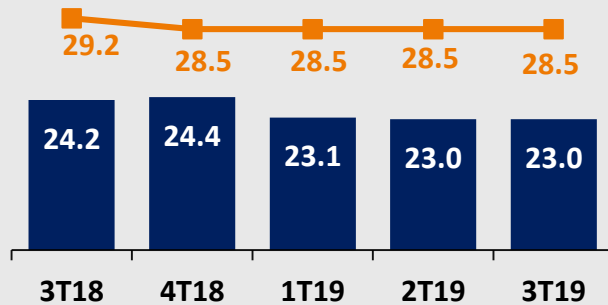
Indicadores de Qualidade

DEC

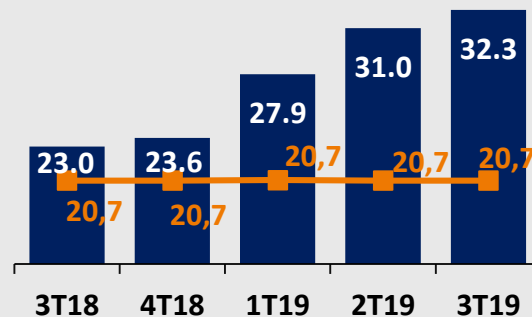
Maranhão



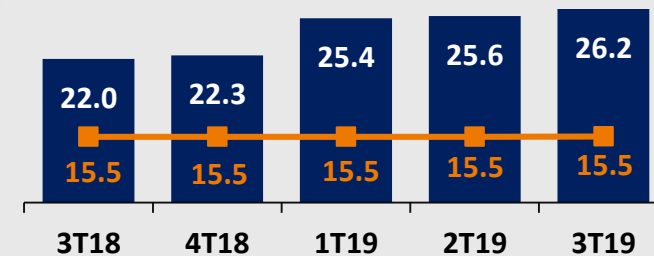
Pará



Piauí



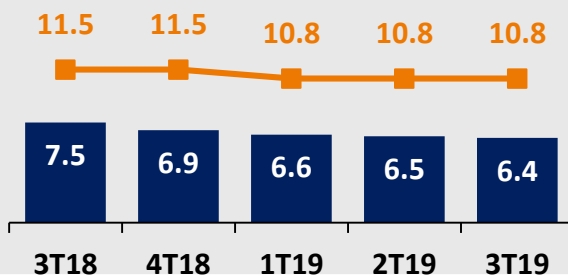
Alagoas



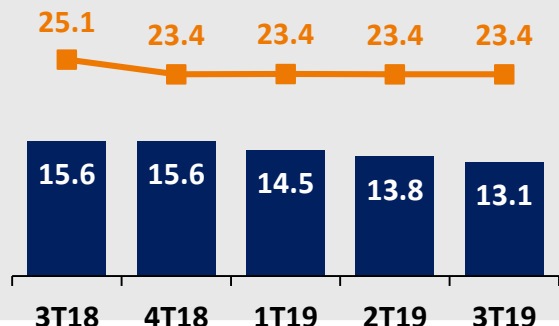
■ Real ■ Regulatory target

FEC

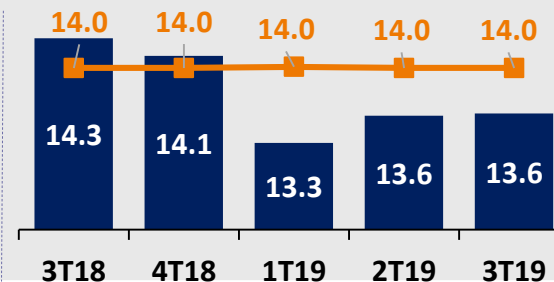
Maranhão



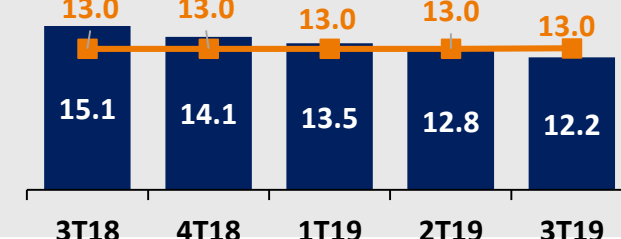
Pará



Piauí



Alagoas

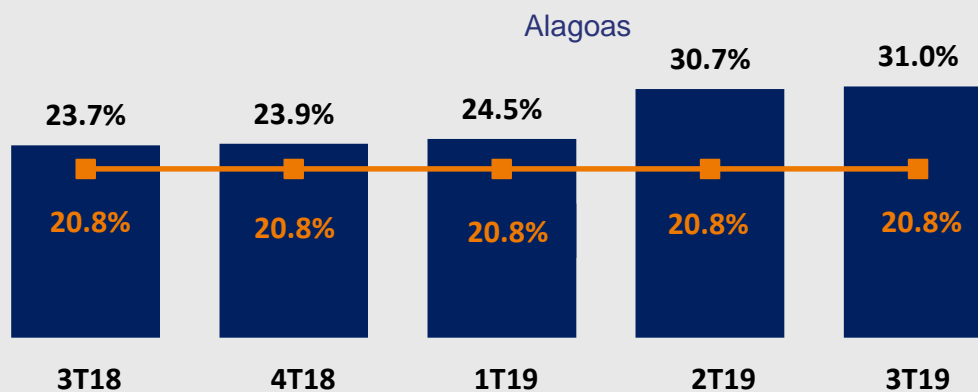
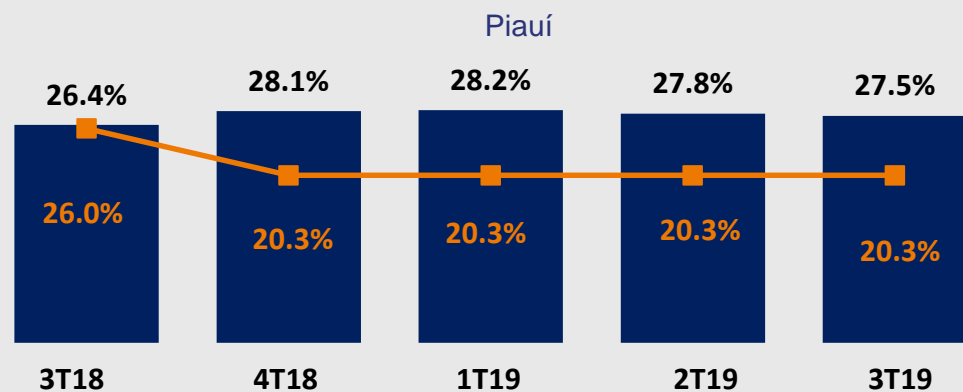
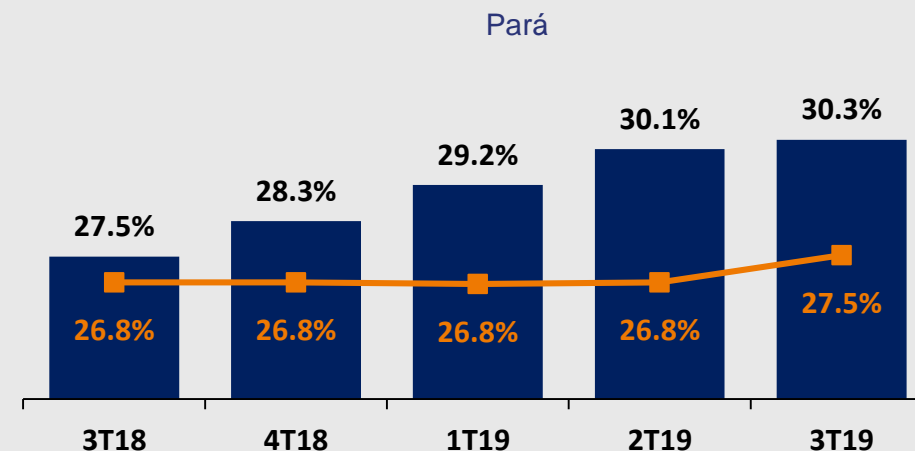
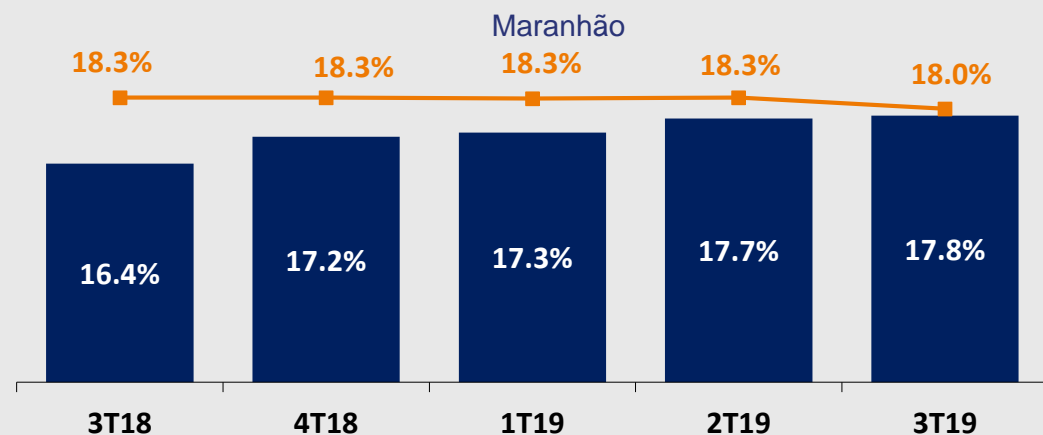


Distribuição

Resultados operacionais

Perdas

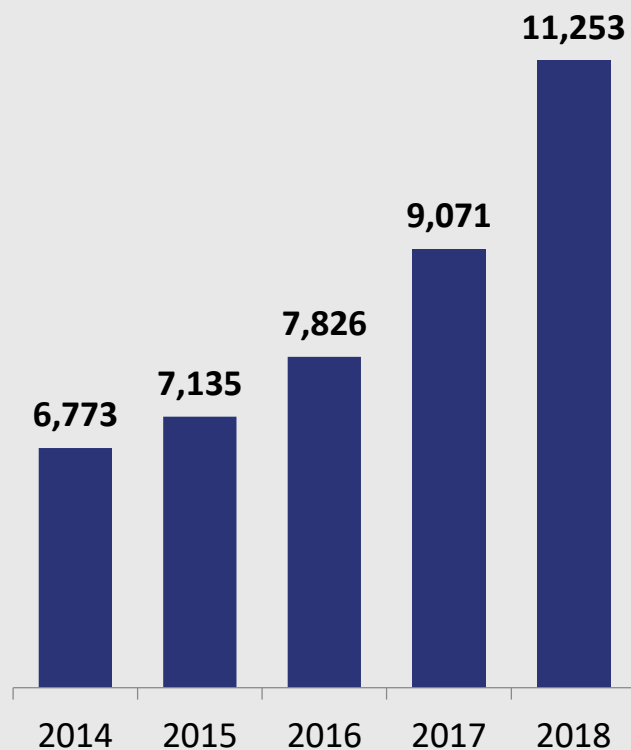
■ Real ■ Regulatória



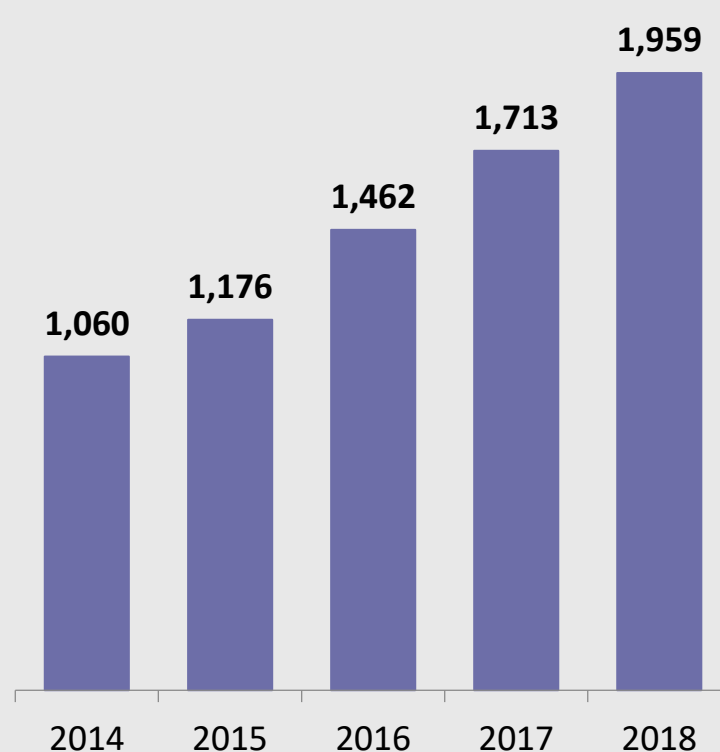
Resultados 

Destques Financeiros

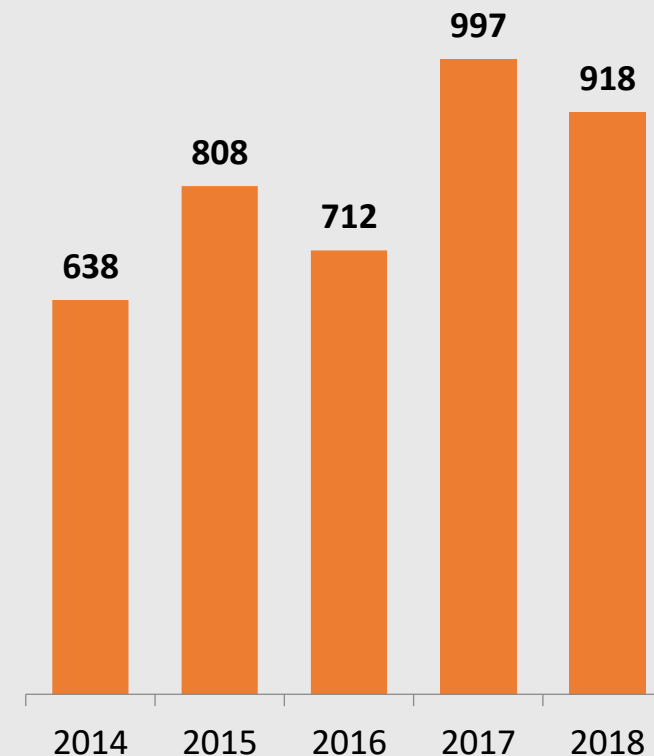
ROL (R\$ MM)



EBITDA (R\$ MM)

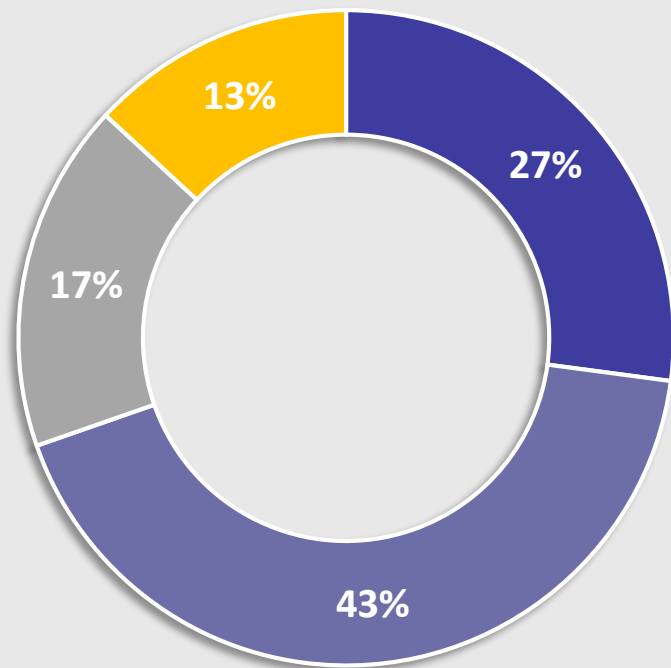


Lucro Líquido (R\$ MM)

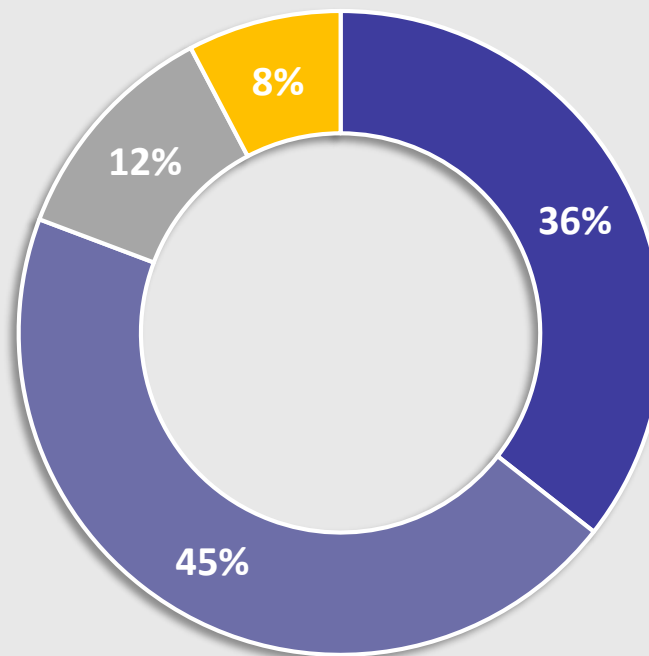


Destaques Financeiros

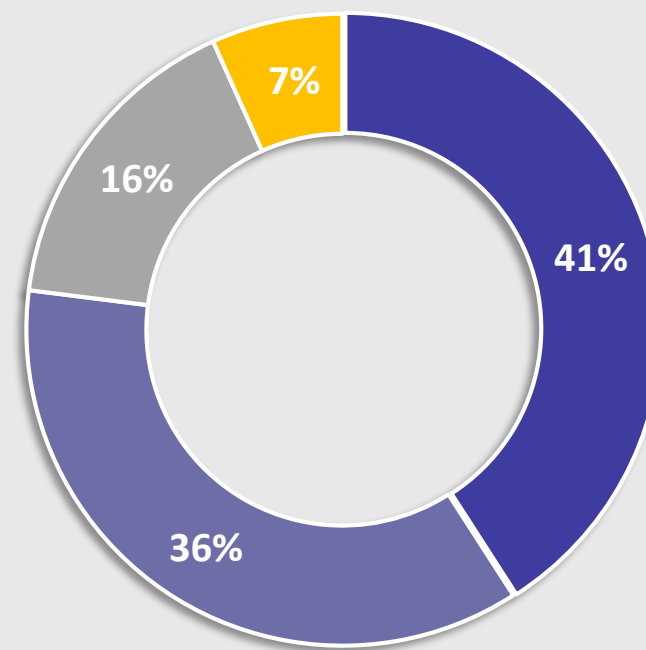
Receita Líquida (Distribuição)



EBITDA (Distribuição)



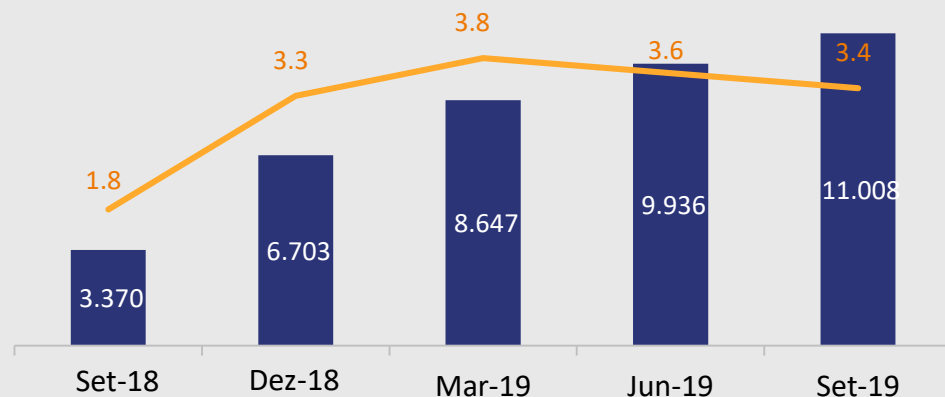
Lucro Líquido (Distribuição)



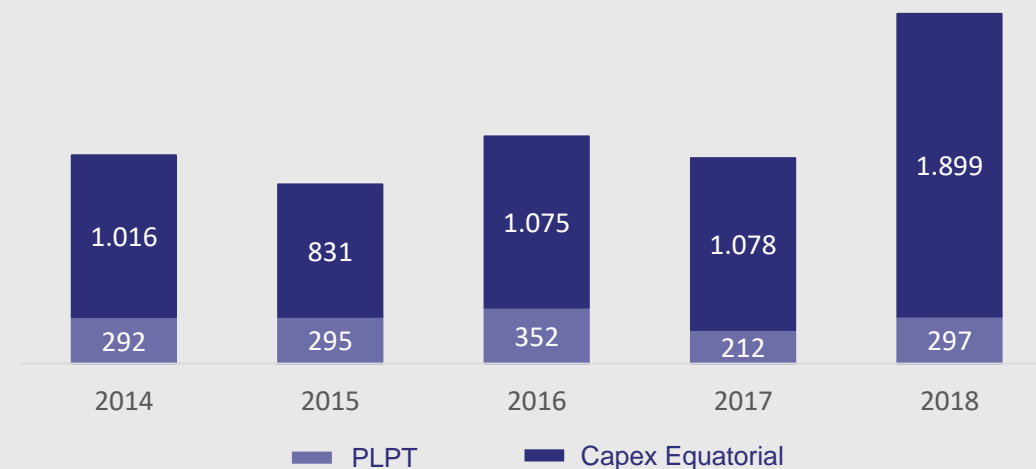
■ Maranhão ■ Pará ■ Piauí ■ Alagoas

Destques Financeiros

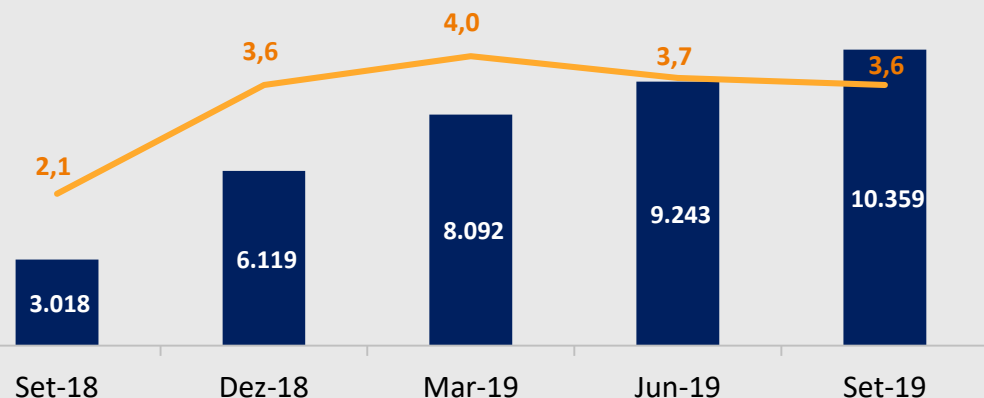
Dívida líquida consolidada (R\$ MM) e dívida líquida/EBITDA



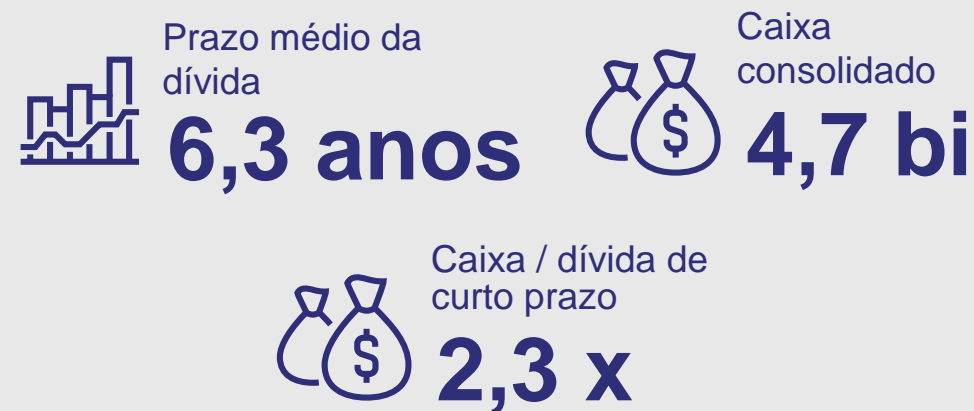
Investimentos




Dívida líquida proporcional (R\$ MM) e dívida líquida/EBITDA



Liquidez



Anexo 

regulação da transmissão

Existente antes
de 2000

- Contratos renovados por mais 30 anos em 2012
- RTP's feitas com periodicidade de 5 anos

Leilões entre
2001 e 2006

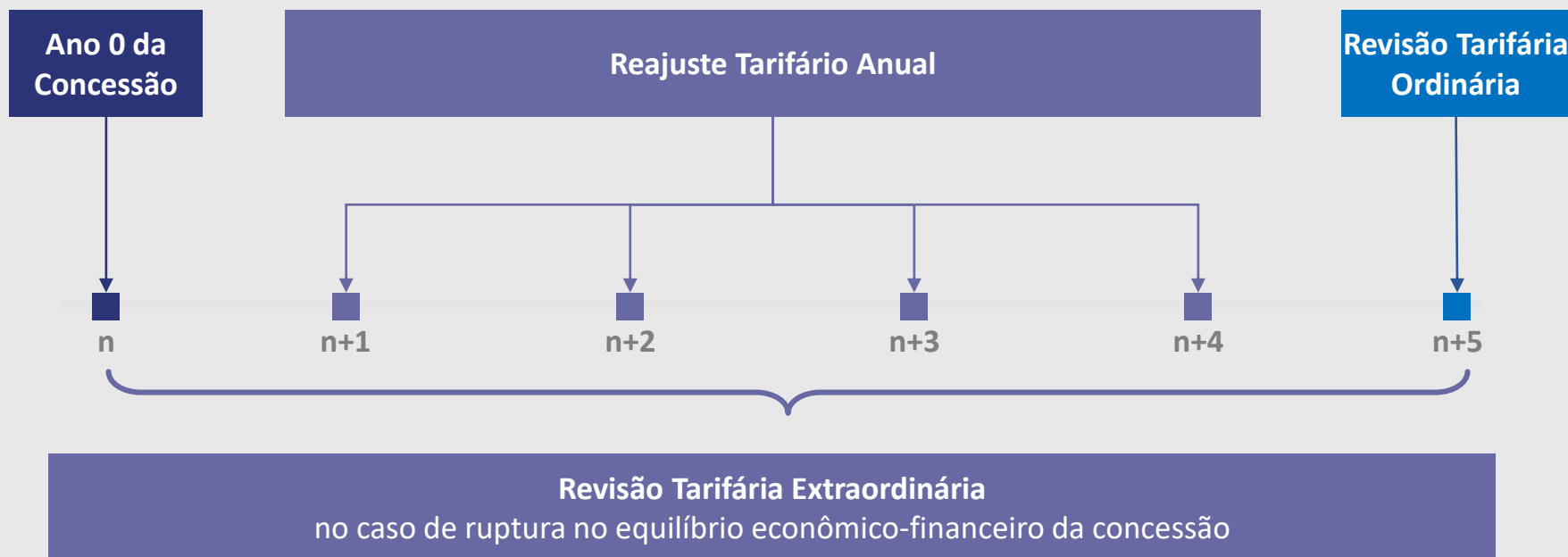
- RAP ajustada por IGP-M
- Contrato degrau: 50% da RAP a partir do 15º ano da entrada em operação
- Contratos sem revisão

Leilões a partir
de 2008

- Prazo de Concessão: 30 anos
- RTP prevista no contrato (5 anos) até a metade do prazo de concessão
- RAP ajustada por IPCA
- Não há degrau de RAP

regulação da distribuição

PROCEDIMENTOS TARIFÁRIOS



Revisões Tarifárias Ordinárias ocorrem a cada 4 ou 5 anos

CEMAR: Ago/2021, CELPA: Ago/2019



regulação da distribuição

COMPOSIÇÃO DA RECEITA OPERACIONAL LÍQUIDA DAS DISTRIBUIDORAS

Custos Não Gerenciáveis (Parcela A)

- Encargos Setoriais
- Custo de Compra de Energia
- Encargos de Transmissão

Repasse à Tarifa
(independente do processo tarifário)

+

Margem Bruta Regulatória (Parcela B)

- Despesas Operacionais Regulatórias
- EBITDA Regulatório

Depende do processo tarifário

Reajuste Anual

- Inflação (IGP-M) + / - Fator X

Revisão Periódica

- Revisão da Tarifa e cálculo do Fator X

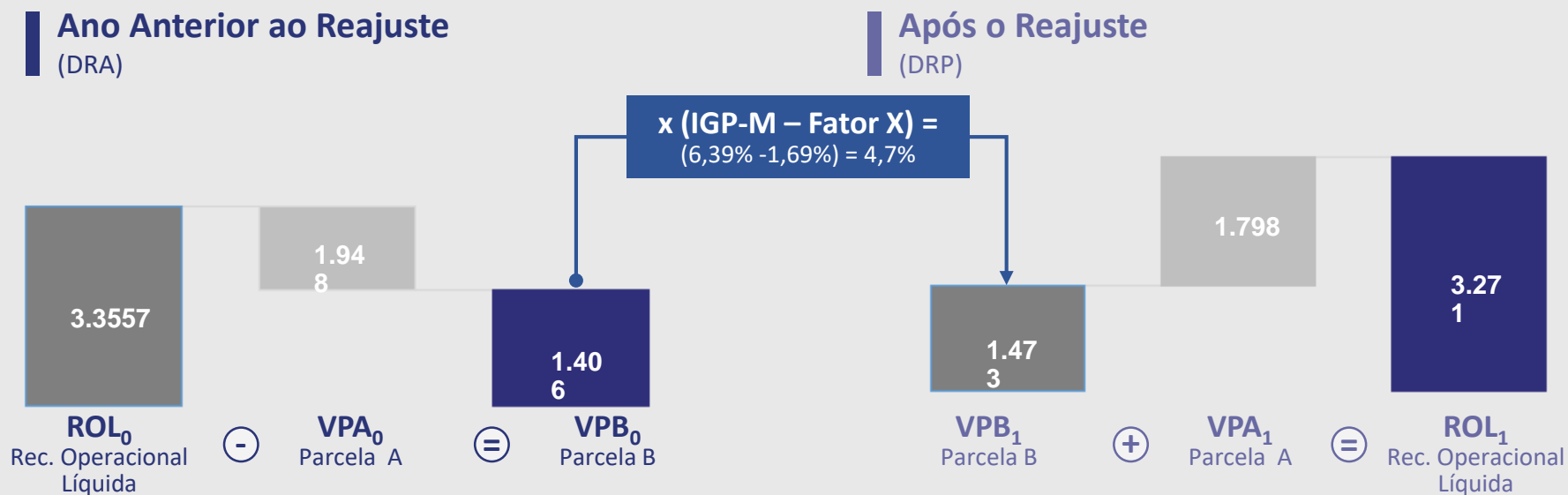
Custos Não-Gerenciáveis são repassados à tarifa

O que diferencia o Reajuste Anual da Revisão Periódica é a maneira como a Parcela B é definida



regulação da distribuição

REAJUSTE TARIFÁRIO MARANHÃO (2019)



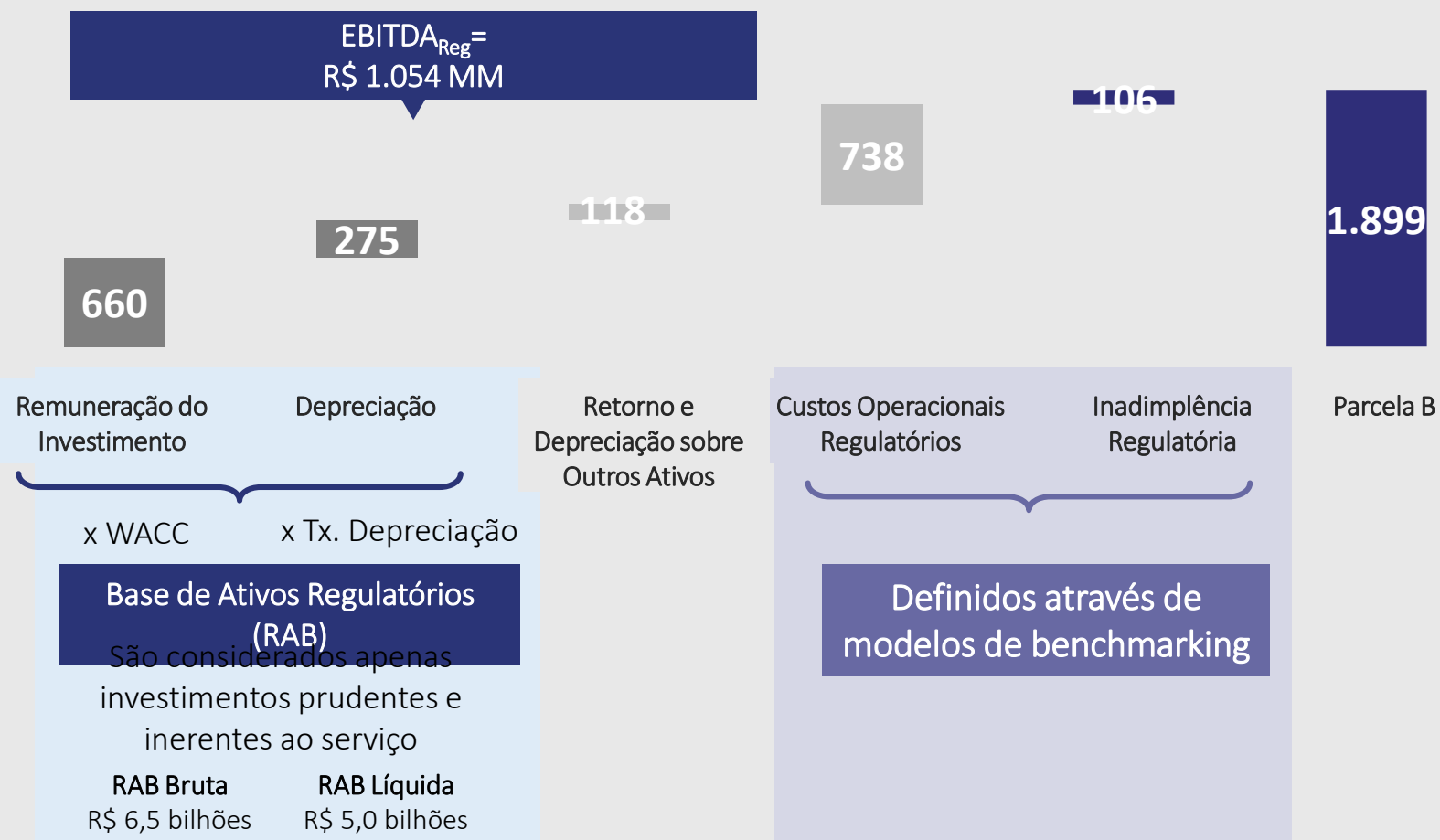
Parcela B é determinada por diferença (ROL₀ - VPA₀)

$$\text{IRT} = \frac{\text{ROL}_1}{\text{ROL}_0} - 1 = 11,75\%$$

(+) Componentes Financeiros
Variações de Parcela A após último reajuste/revisão

regulação da distribuição

REVISÃO TARIFÁRIA DA CELPA (2019)



regulação da distribuição

FATOR X

$$Fator X = Pd + Q + T$$

Definido em cada Reajuste Anual

Mudança em DEC/FEC/IASC
Performance Relativa

Q

Definido na Revisão Periódica

Produtividade média setorial,
considerando crescimento no
volume vendido e número de
consumidores

Pd

FATOR
X

T

Transição de um Opex Regulatório
verificado nos últimos 12 meses para
um determinado baseado em
benchmarking



Obrigado 

Time de RI

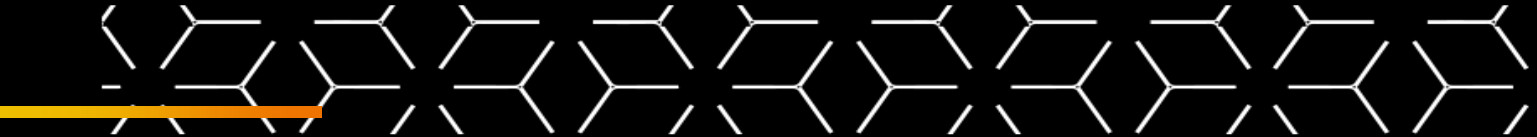
ri@equatorialergia.com.br

+55 61 34261010

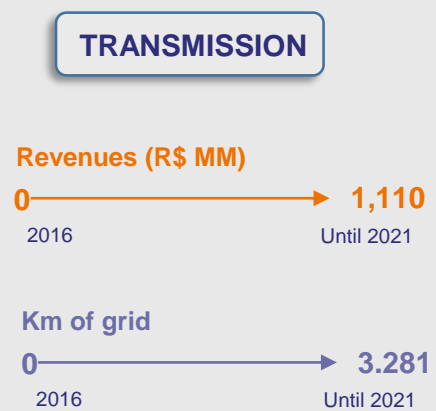
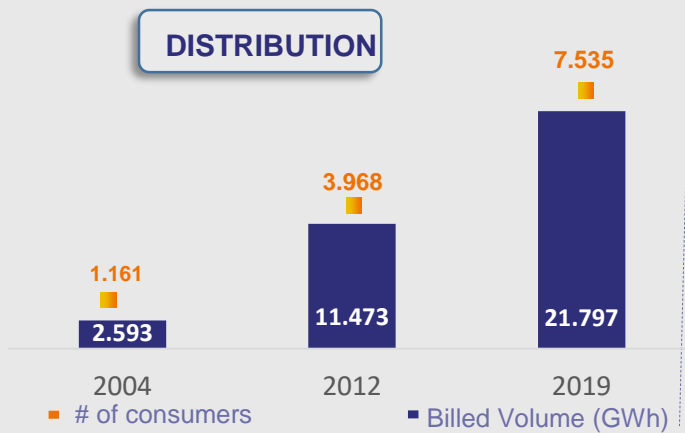
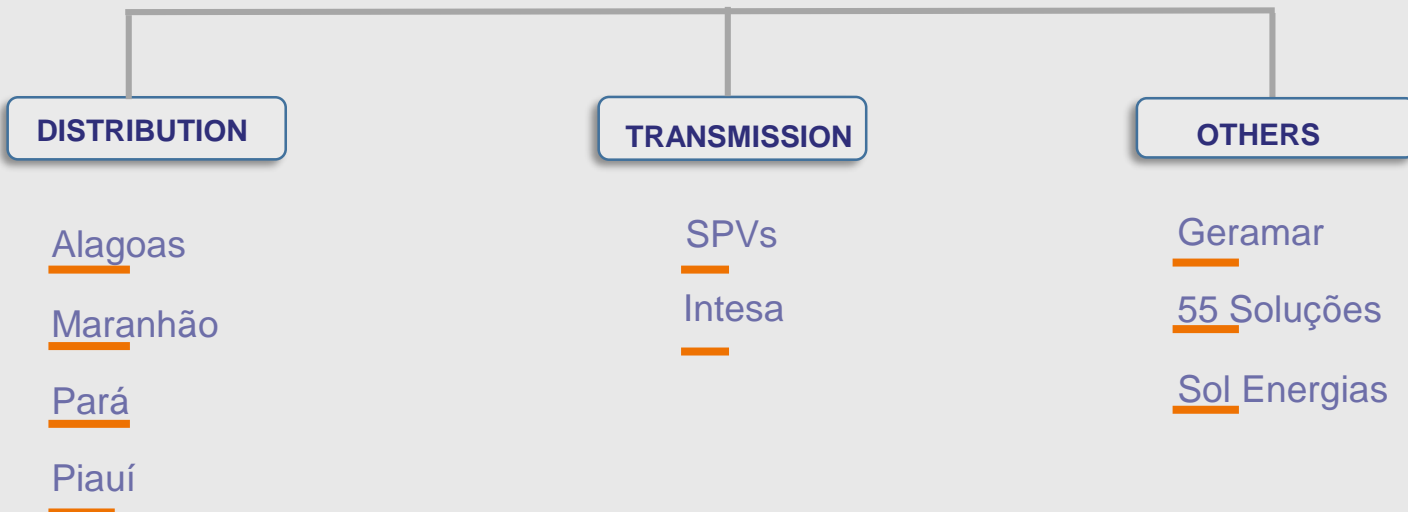
CORPORATE PRESENTATION

January 2020

equatorial
ENERGIA

Who we are 

Who we are



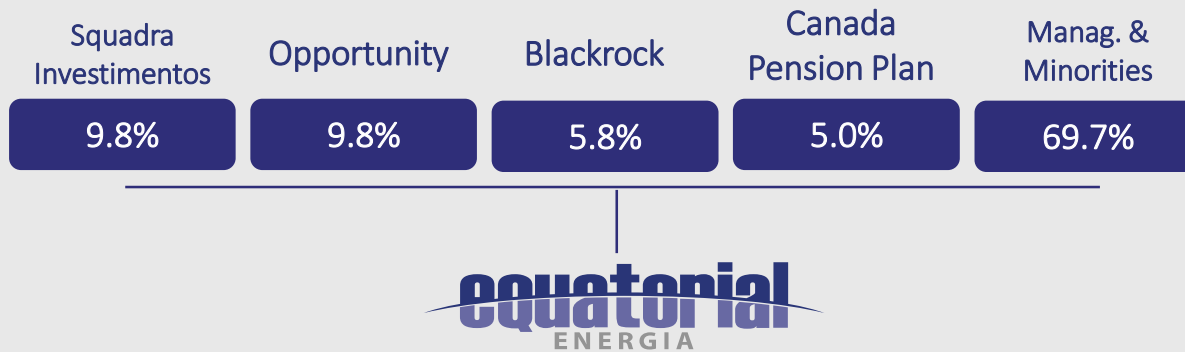
22%
% national territory

6%
Energy Volume

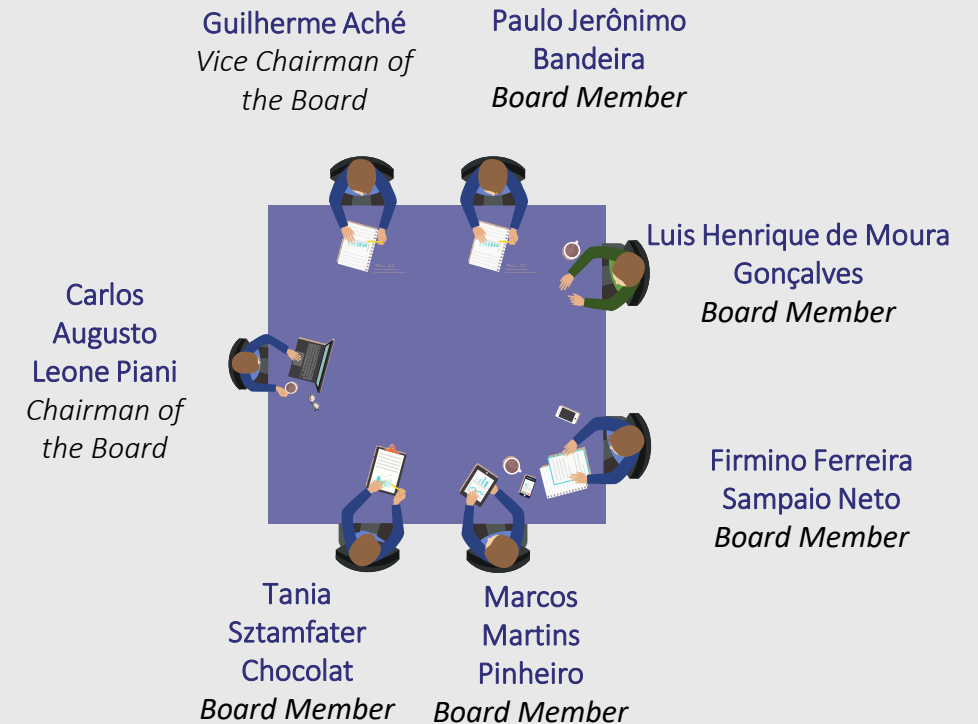
9%
Number of clients

34

Governance



- Full Corporation, listed on Novo Mercado
- 7 Board Members, from which 5 are independent
- 2 former CEOs from Equatorial Energia



WHAT MAKES US Different

 Management model

 Turnaround model

 Financial Discipline

meritocracy

High performance culture

People who **take on challenges**, do their best and **get rewarded for results**.

results

We are **result-oriented**, by setting and achieving challenging goals

personnel

The greatest asset of the company is **Competent People**, Engaged and Working as a Team

leadership

Inspirational, responsible leadership that takes on its role

WHAT MAKES US Different

 Management model

 Turnaround model

 Financial Discipline

turnaround MODEL

Restructuring

Optimize capital structure

Investment for
**reinforcement and
modernization** of the grid

**Simplify organizational
structure** and optimize
processes (strict cost
control, collection and loss
reduction)

Reinvention

Implementation of the **new
corporate culture**

Regulation as a key element
of strategy

Raise support to all
stakeholders

Human Capital
(attraction, retention, training
and meritocracy)

Continuity

Organic Growth

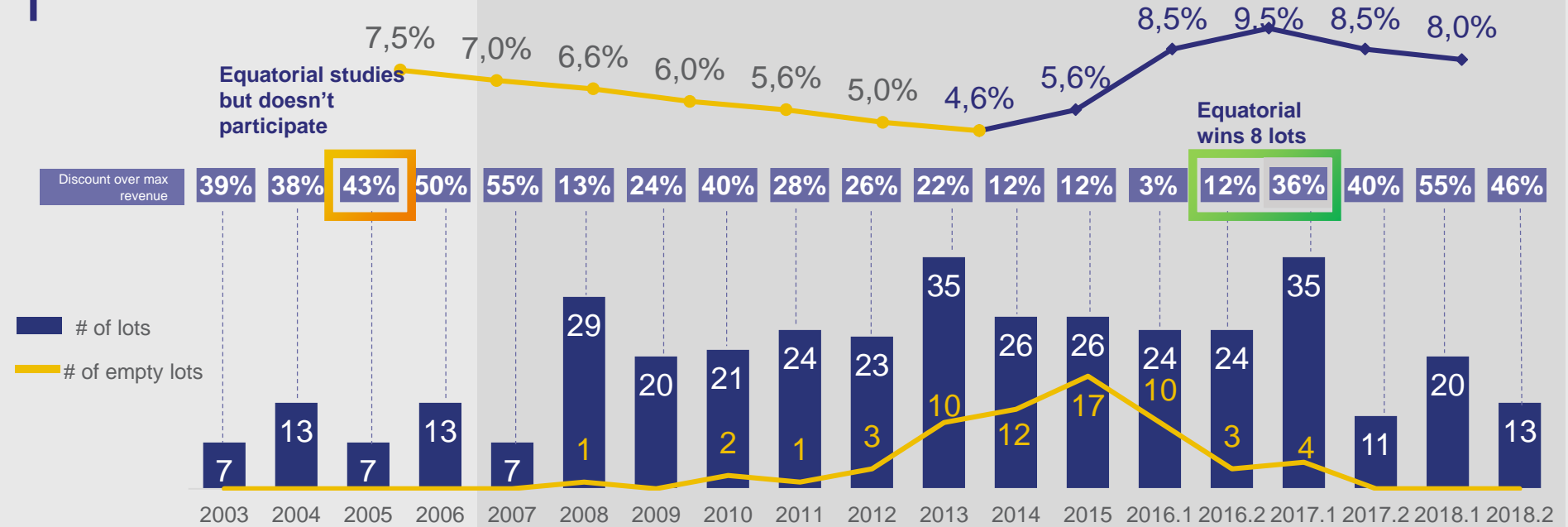
Continuous pursuit of
productivity and
operational excellence

WHAT MAKES US Different

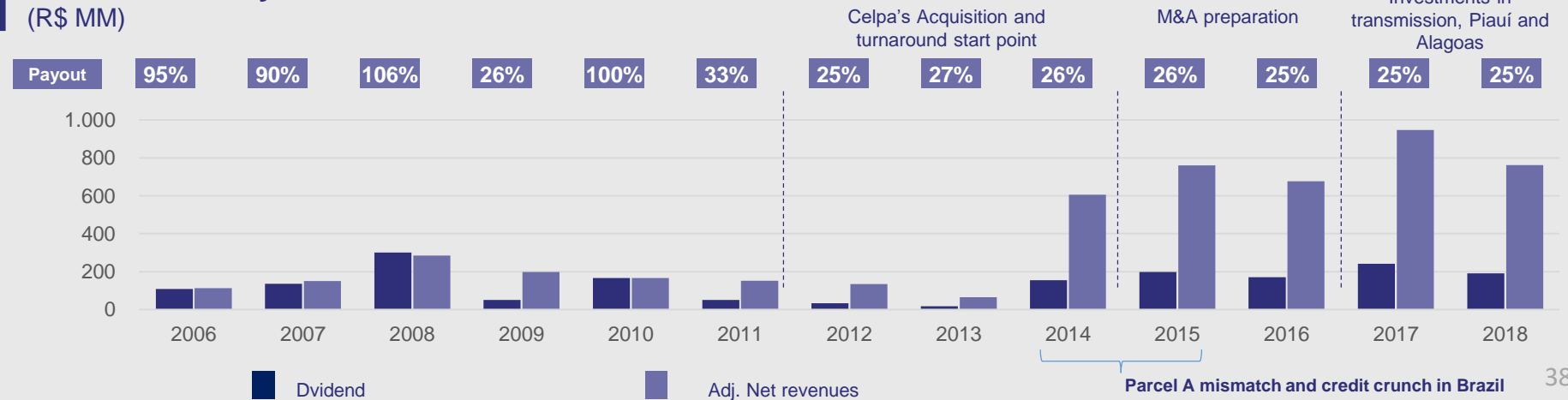
- Management model
- Turnaround model
- Financial Discipline

Regulatory Wacc

Auction history



Dividend history (R\$ MM)



Business Performance

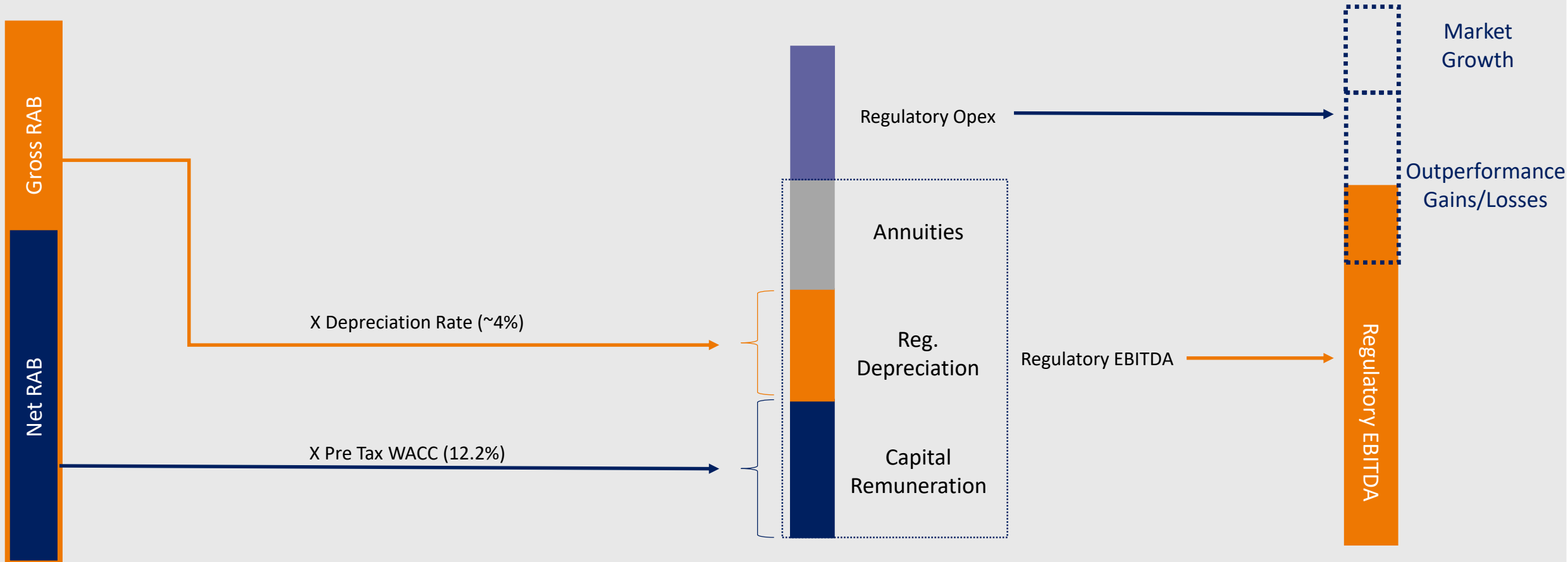


How We Generate Cash?

Regulatory Asset Base (RAB)

Parcel B

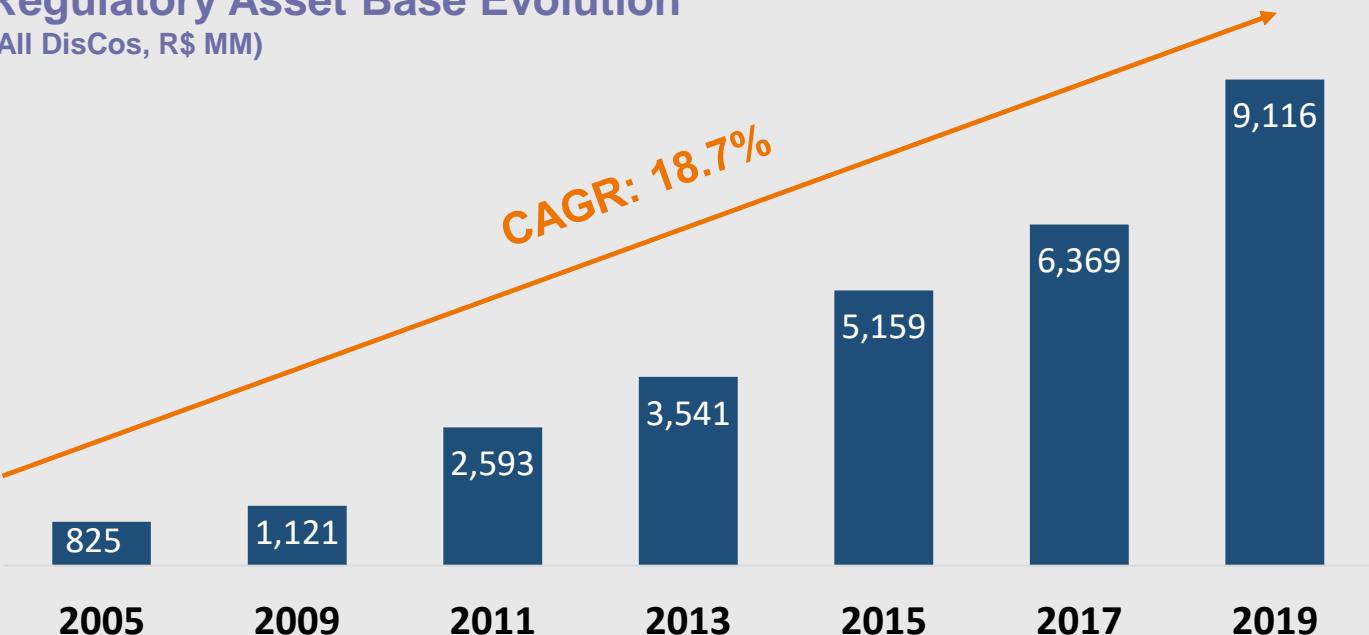
EBITDA



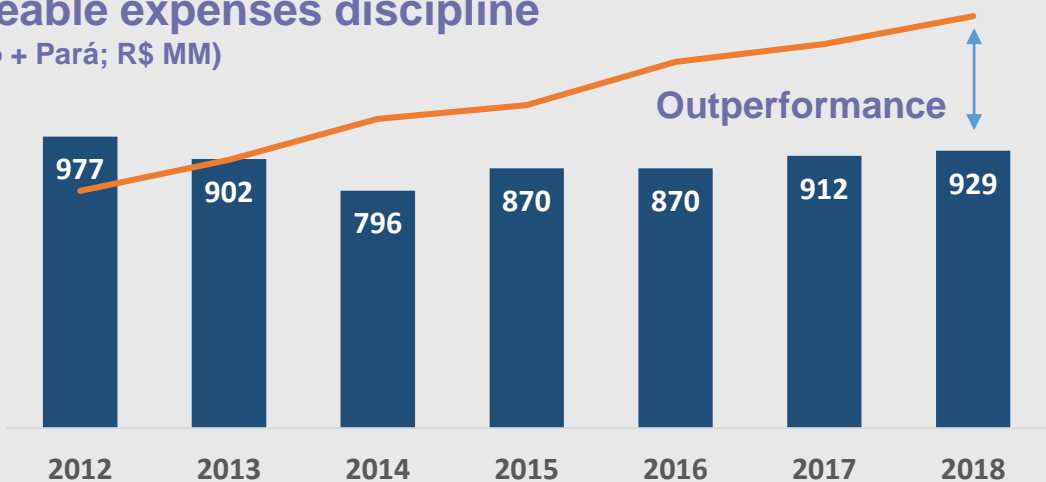
Growth and Cost Efficiency



Regulatory Asset Base Evolution
(All DisCos, R\$ MM)

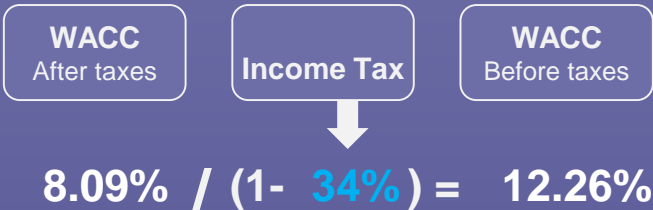


Manageable expenses discipline
(Maranhão + Pará; R\$ MM)



Regulatory WACC

(after taxes)



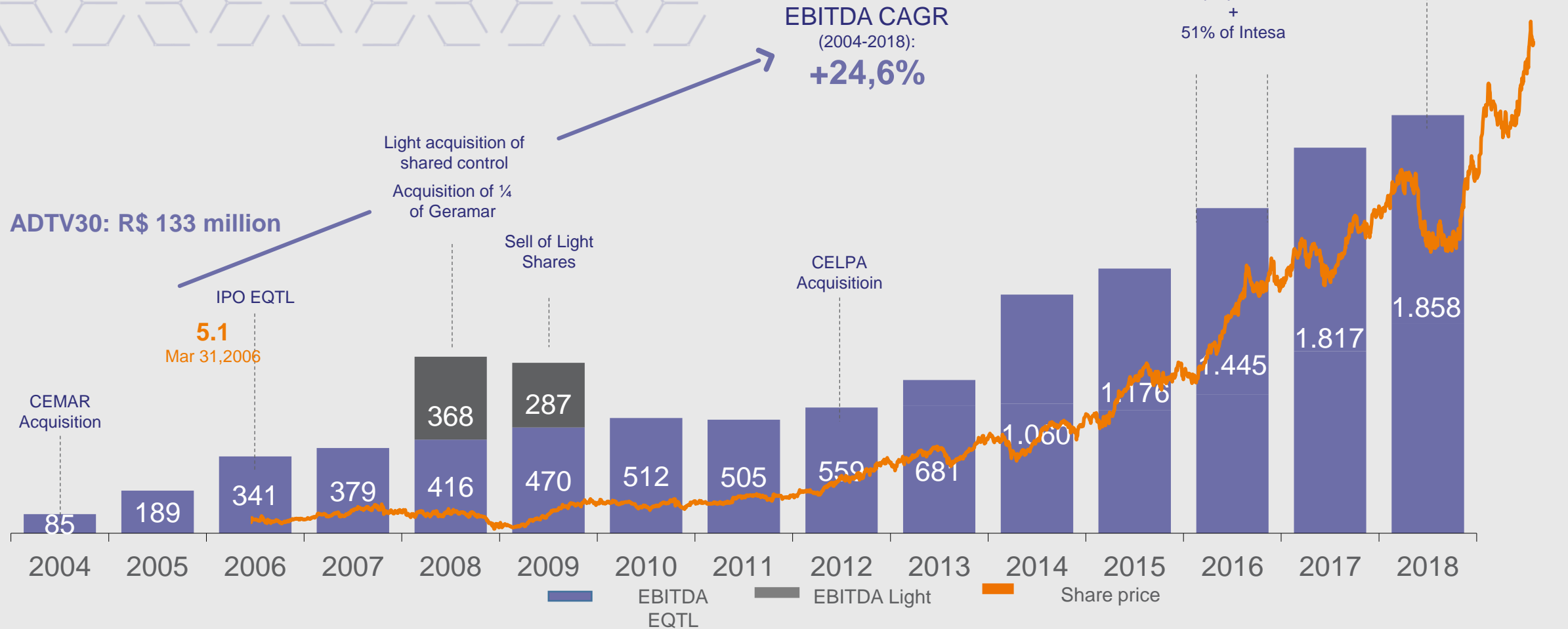
Tariff review

| | RTP | RTP |
|----------|------|------|
| Maranhão | 2017 | 2021 |
| Pará | 2019 | 2023 |
| Piauí | 2013 | 2023 |
| Alagoas | 2013 | 2024 |

RTE¹ - Can be asked until 3 years after the acquisition

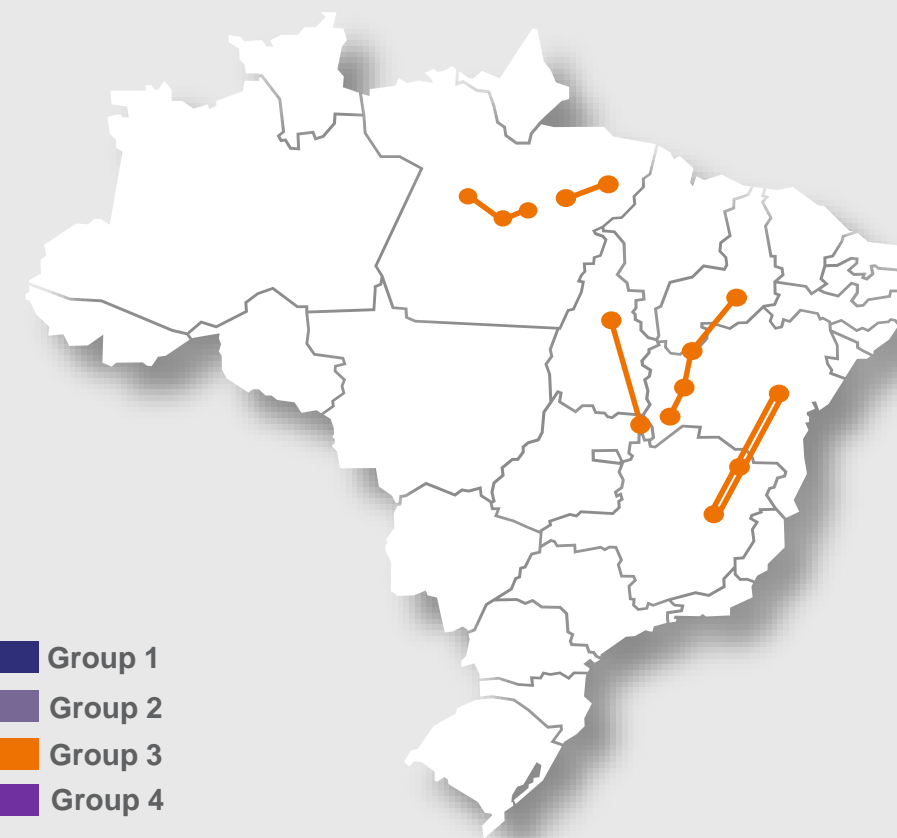
Value Generation

On long term through the turnaround of the operations and efficient Capital Allocation



Transmission

| | SPV | State | km | Nº of substations | Construction Works | Regulatory Capex | Revenue | Operational Revenues | Licences |
|---------|--------|-------|-------|-------------------|--------------------|------------------|---------|----------------------|----------|
| Group 1 | SPV 1 | BA | 251 | 1 | 98,4% | 496 | 87 | - | LI/LO |
| | SPV 2 | BA | 213 | | 100% | 519 | 79 | - | LI/LO |
| | SPV 3 | BA/PI | 380 | | 43,0% | 610 | 115 | - | LI |
| Group 2 | SPV 4 | BA/MG | 594 | 1 | 71,1% | 1,181 | 207 | - | LI |
| | SPV 5 | BA/MG | 257 | | 59,1% | 483 | 95 | - | LI |
| | SPV 6 | MG | 330 | | 14,7% | 562 | 118 | - | LI |
| Group 3 | SPV 7 | PA | 125 | 2 | 60,8% | 476 | 100 | - | LI/LO |
| Group 4 | SPV 8 | PA | 436 | 3 | 99,8% | 740 | 107 | 36* | LI/LO |
| | INTESA | TO/GO | 695 | 5 | 100,00% | - | 167 | 167 | - |
| Total | | | 3.281 | 12 | | 5.067 | 1.110 | 202 | |



*With Reinforcement

Funding

Transmission lines



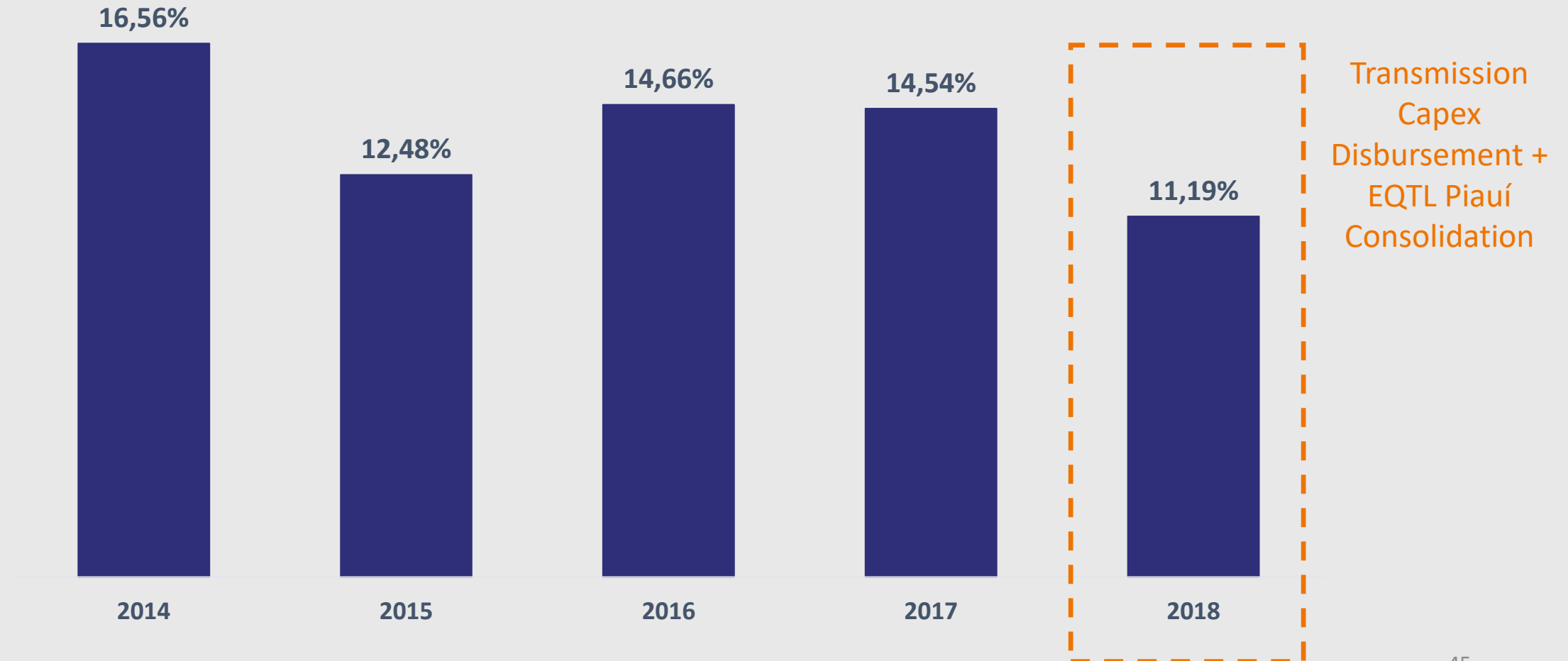
Average Leverage

80%

| | Source | Secured | Disbursed | % |
|-------------------------------------|-------------------|--------------|--------------|------------|
| SPV 1 | Banco do Nordeste | 343 | 338 | |
| | Debêntures | 55 | 55 | |
| | Total | 398 | 393 | 99% |
| SPV 2 | Banco do Nordeste | 353 | 319 | |
| | Debêntures | 45 | 45 | |
| | Total | 398 | 364 | 91% |
| SPV 3 | Banco do Nordeste | 425 | 346 | |
| | Debêntures | 90 | 90 | |
| | Total | 515 | 436 | 85% |
| SPV 4 | BNDES | 822 | 699 | 85% |
| SPV 5 | Banco do Nordeste | 356 | 201 | |
| | Debêntures | 66 | 66 | |
| | Total | 422 | 267 | 63% |
| SPV 6 | BNDES | 419 | 223 | 53% |
| SPV 7 | FDA | 293 | 76 | |
| | Debêntures | 130 | 130 | |
| | Total | 423 | 206 | 49% |
| SPV 8 | FDA | 495 | 194 | |
| | Debêntures | 189 | 189 | |
| | Total | 684 | 383 | 56% |
| Total Equatorial Transmissão | | 4,081 | 2,973 | 73% |

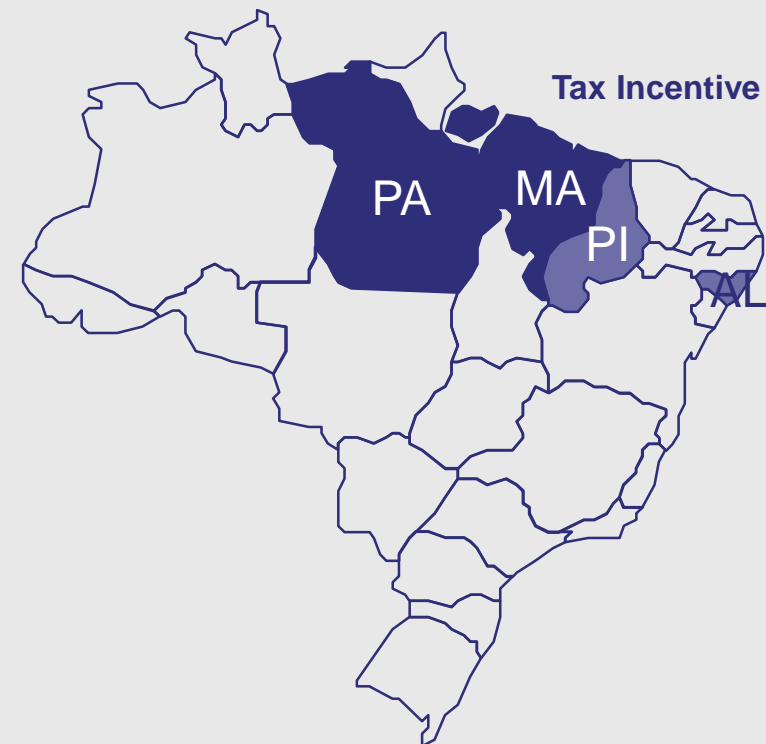
Solid Track Record

Consolidated - ROIC



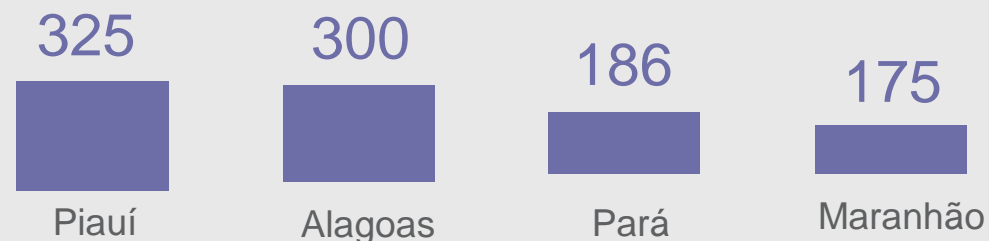
Distribution 

Distribution



| | Piauí | Alagoas | Piauí + Alagoas | Maranhão | Pará |
|---------------------------------|--------|---------|-----------------|----------|---------|
| Consumers (in thousand) | 1,295 | 1,133 | 2,398 | 2,530 | 2,690 |
| Grid (Km) | 91,765 | 47,788 | 139,553 | 111,757 | 154,881 |
| Volumes (GWh) | 2,616 | 2,469 | 5,085 | 4,680 | 6,291 |
| Losses | 27% | 31% | - | 18% | 30% |
| Regulatory Opex (R\$ MM) | 419 | 360 | 779 | 608 | 738 |

PMSO / consumer (R\$, 2018)



Quality Ranking (2019)

Maranhão ➡ 3rd
Pará ➡ 7th

Complexity Ranking(2019)

Pará ➡ 1st
Maranhão ➡ 4th

Piauí and Alagoas

Actions taken



People

Voluntary Layoff Program + dismissals

39% staff reduction in each DisCo



Contracts

Third Party Services (R\$ MM)

Alagoas

- 64%

Piauí

- 42%

- **R\$ 53,8 mn** saved in both companies
- Renegotiation of all contracts



Institutional image

Brand strengthening

- Increase in positive news
- Approach to key regional institutions
- Publicitary campaigns



Systems and Procedures

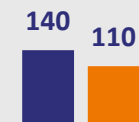
- Call center transfered to 55 Soluções
- All systems, but the commercial, implemented



Results 9M18 x 9M19

Adjusted EBITDA (in R\$ MM)

Piauí



9M18 x 9M19

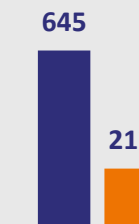
Alagoas



9M18 x 9M19

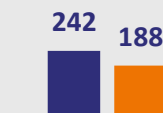
Adjusted Opex (in R\$ MM)

Piauí



9M18 x 9M19

Alagoas



9M18 x 9M19

48

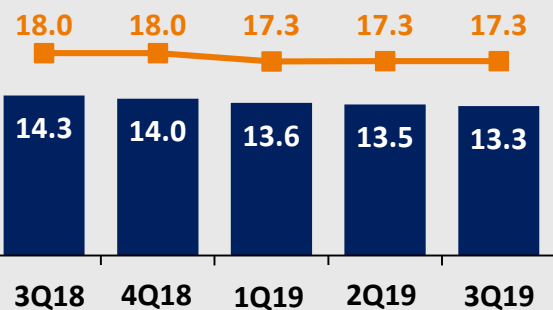
distribution

Operational Results

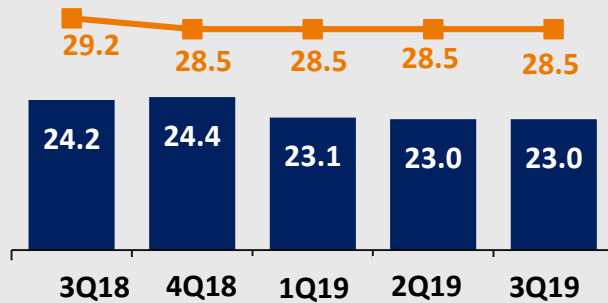
Quality Indicators

DEC

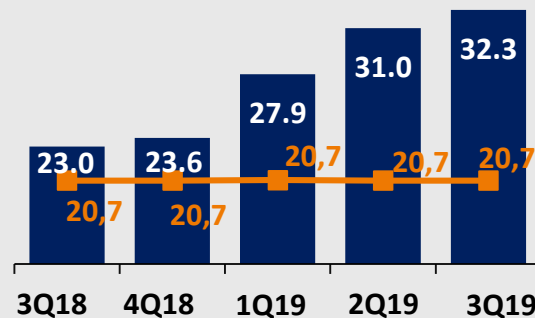
Maranhão



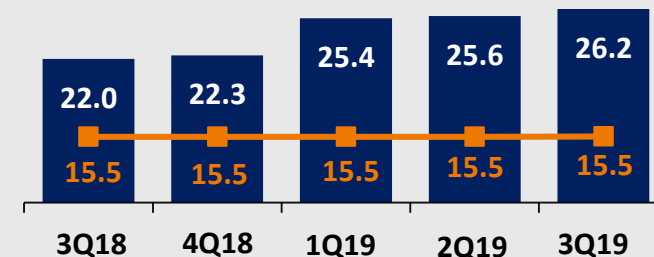
Pará



Piauí



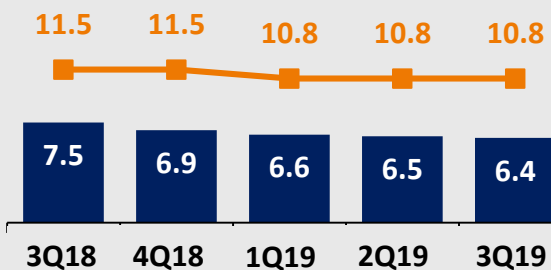
Alagoas



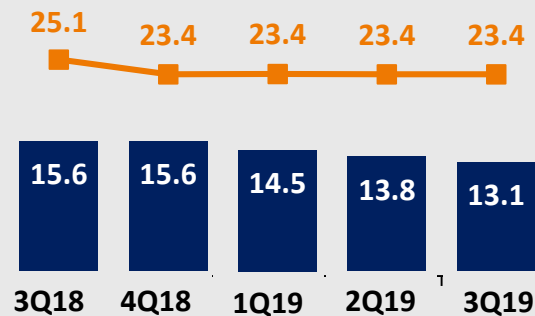
■ Real ■ Regulatory target

FEC

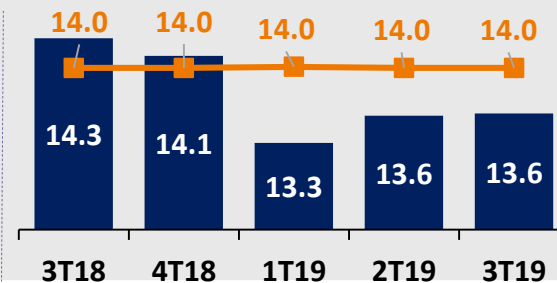
Maranhão



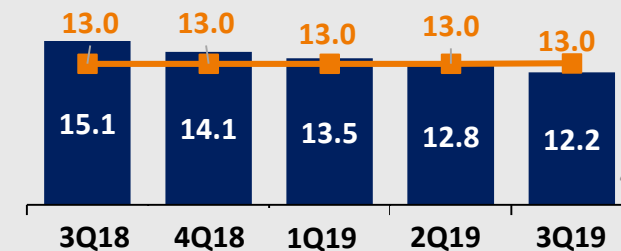
Pará



Piauí



Alagoas

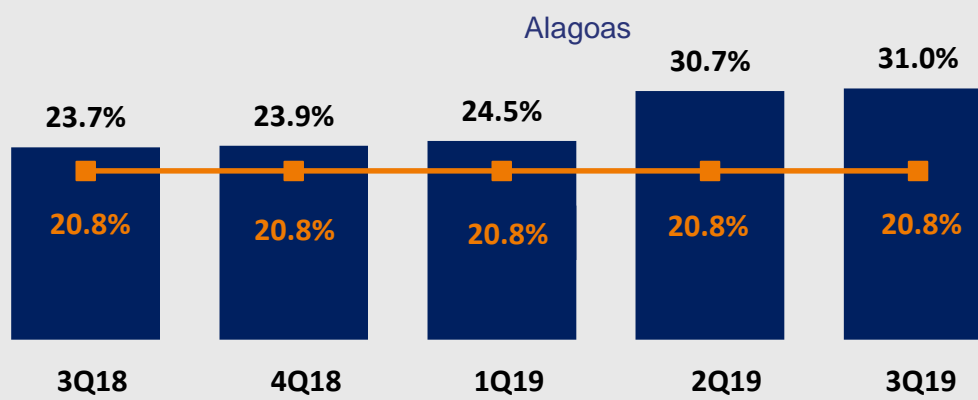
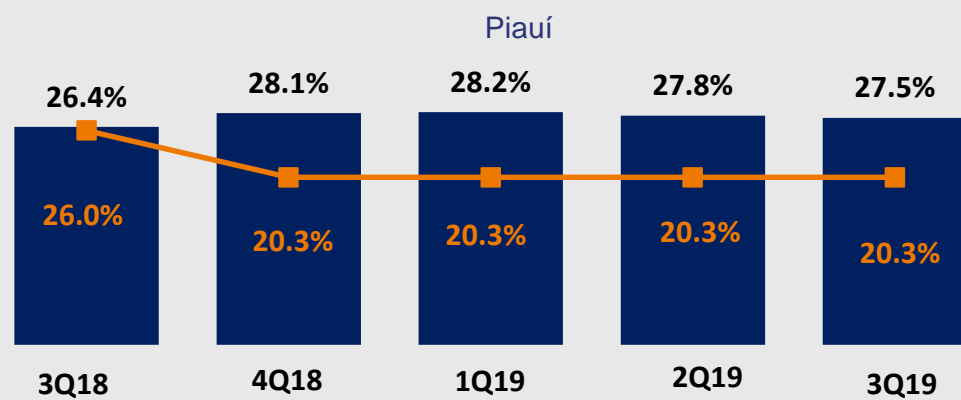
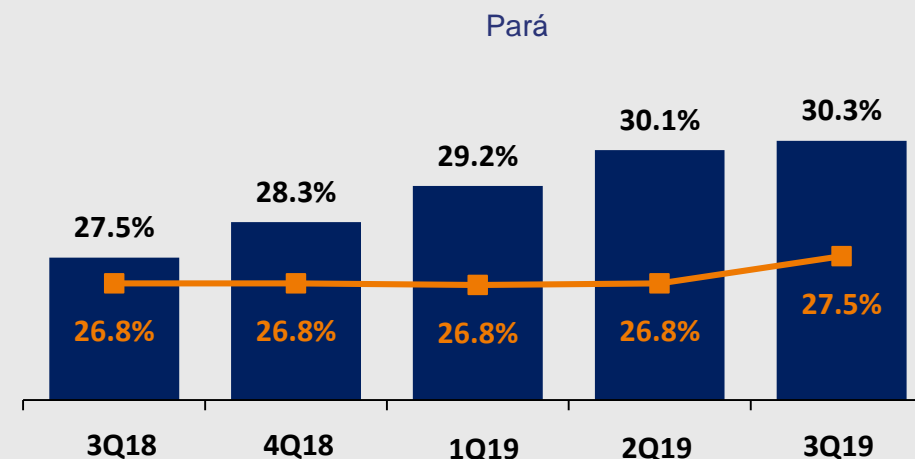
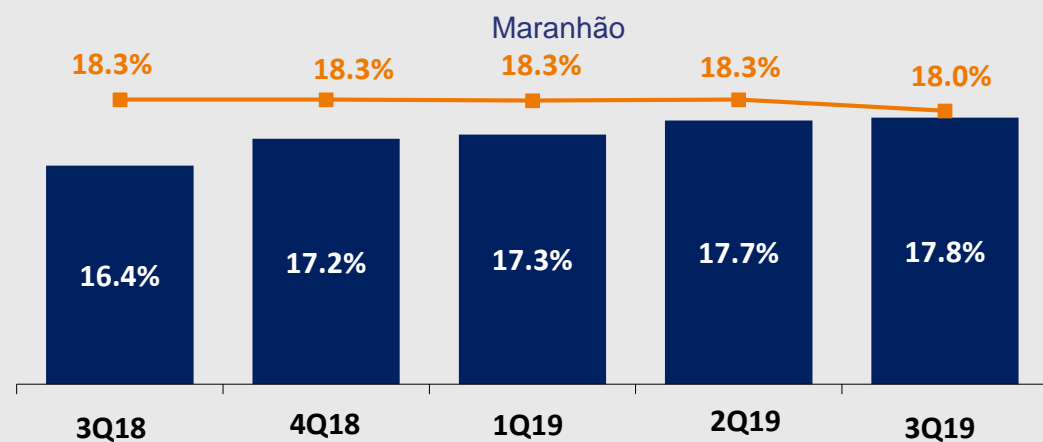


distribution

Operational Results

Energy losses

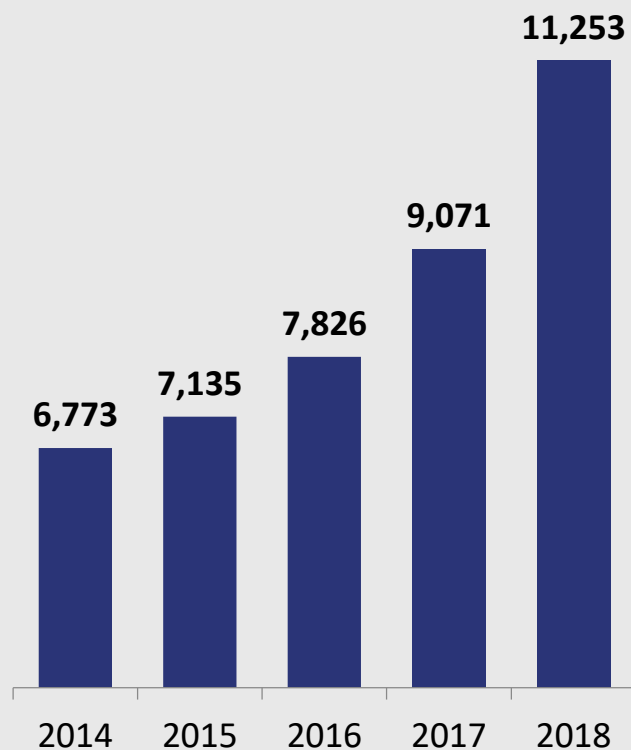
■ Real ■ Regulatory Target



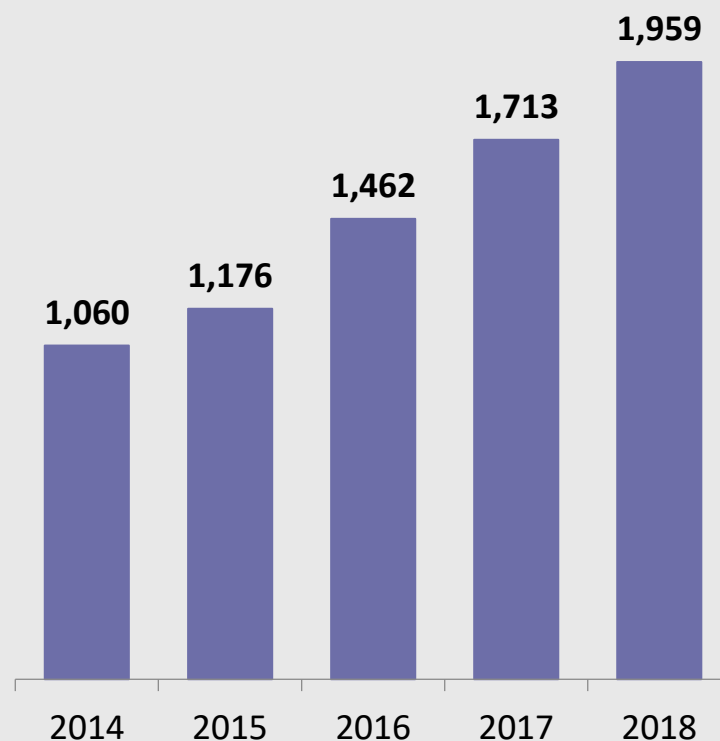
Results

Financial Highlights

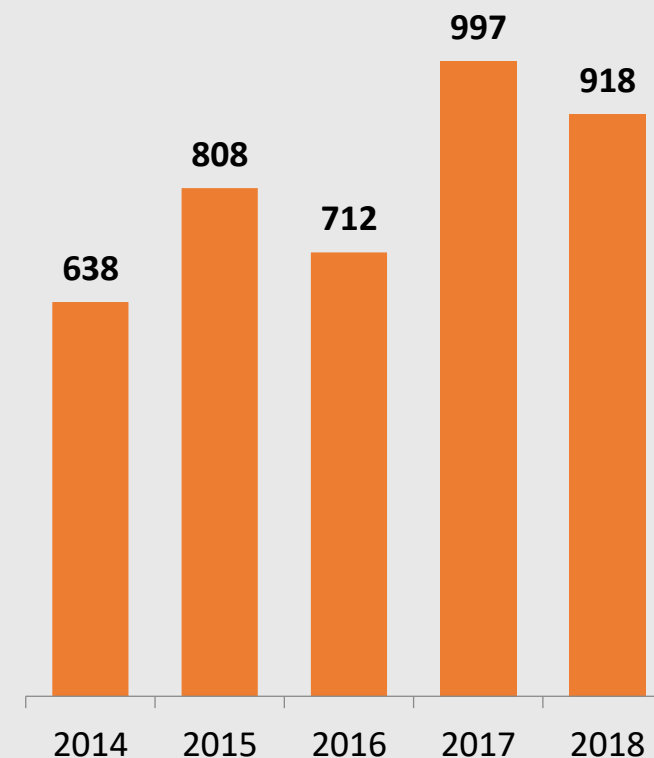
NOR (R\$ MM)



EBITDA (R\$ MM)

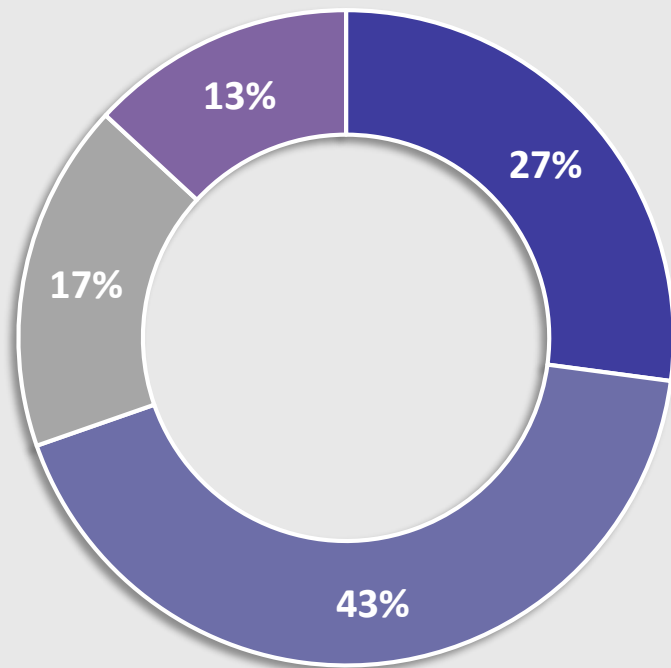


Net Results (R\$ MM)

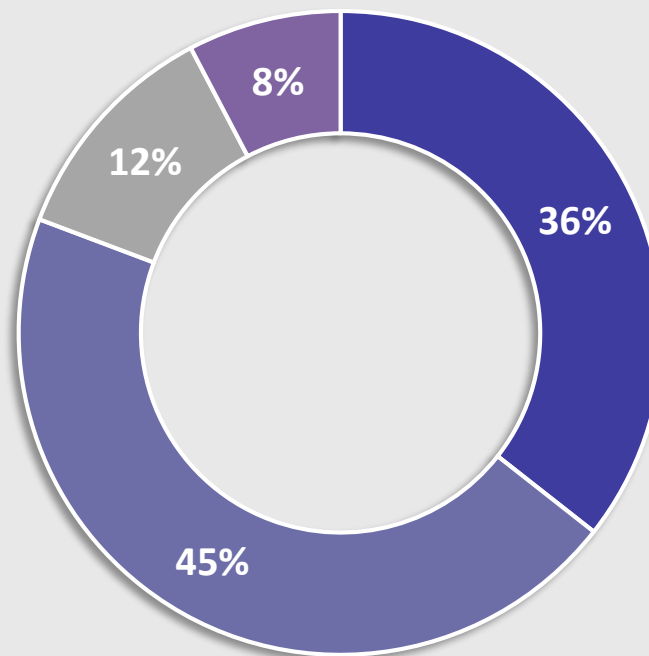


Financial Highlights

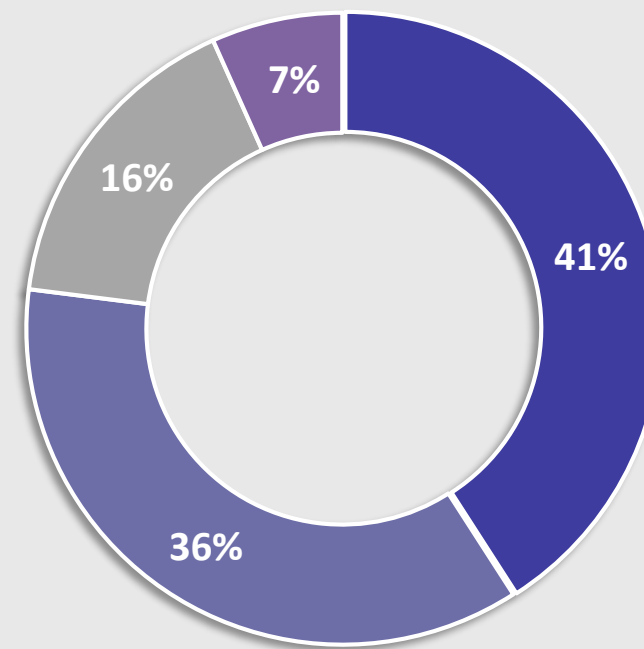
Net Revenues (Distribution)



EBITDA (Distribution)



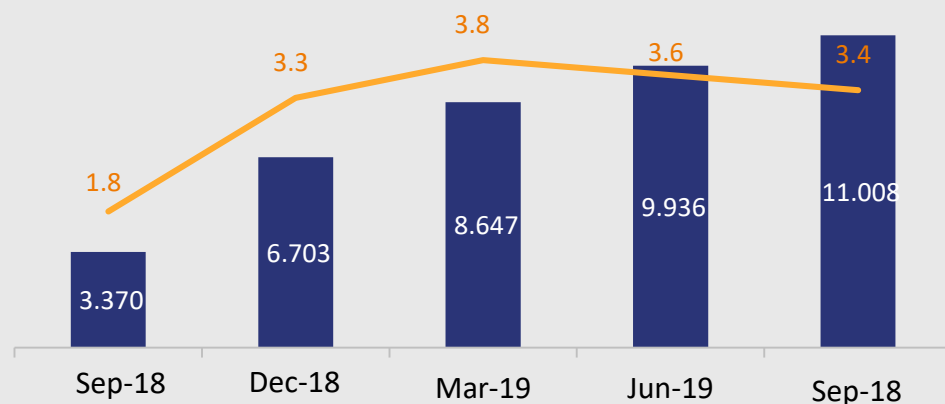
Net Results (Distribution)



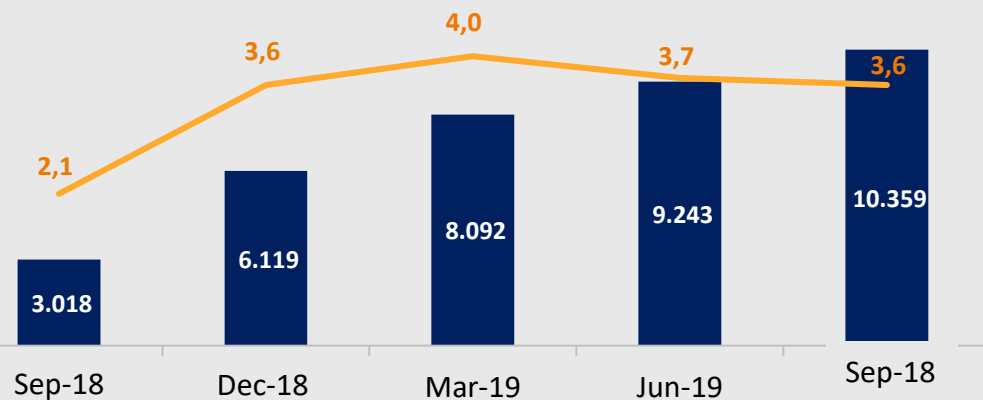
■ Maranhão ■ Pará ■ Piauí ■ Alagoas

Financial Highlights

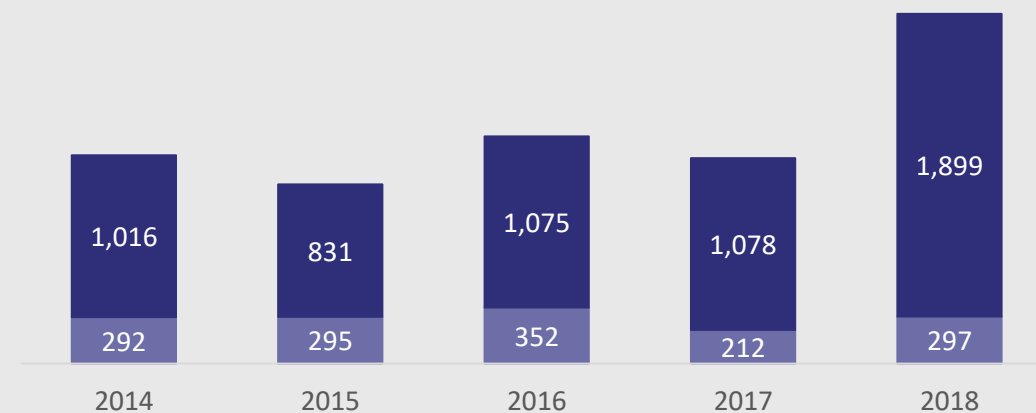
Consolidated Net Debt (R\$ Mn) and net debt/EBITDA



Proportional Net Debt (R\$ Mn) and net debt/EBITDA



Investments



Liquidity



annex 

Transmission regulation

Before 2000

- Contracts renewed for more 30 years in 2012
- Tariff Review every 5 years

Auctions between 2001 and 2006

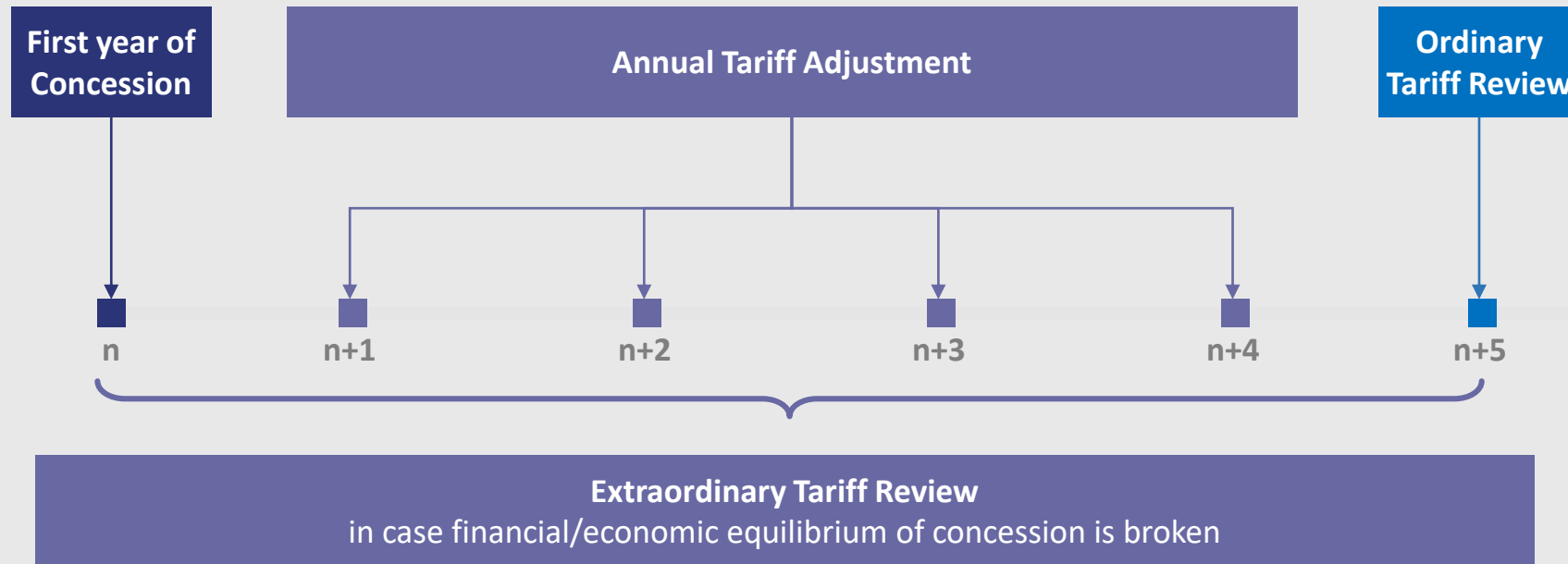
- Revenues adjusted by IGP-M
- New contract: Revenue drops by half on the 15° year
- No Tariff Review

Auctions since 2008

- 30 years contract
- Tariff Review every 5 years until contract ends
- Revenue adjusted by inflation

Distribution regulation

TARIFF PROCESS



Ordinary Tariff reviews occur every 4 or 5 years

Maranhão: AUG/2021, Pará: AUG/2023

Piauí: DEC/2023 Alagoas: MAY/2024

Distribution regulation

Net Operating Revenues

Non - Manageable Costs (Parcel A)

- Sector Charges
- Energy Purchase Cost
- Transmission Charges

Pass-Through
(independent of the tariff process)

**Non-Manageable cost are
Passed-through to tariffs**

+

Regulatory Gross Margin (Parcel B)

- Regulatory Opex
- Regulatory EBITDA

Depends on the tariff process

Tariff Adjustment

- Inflation (IGPM) + / - X Factor

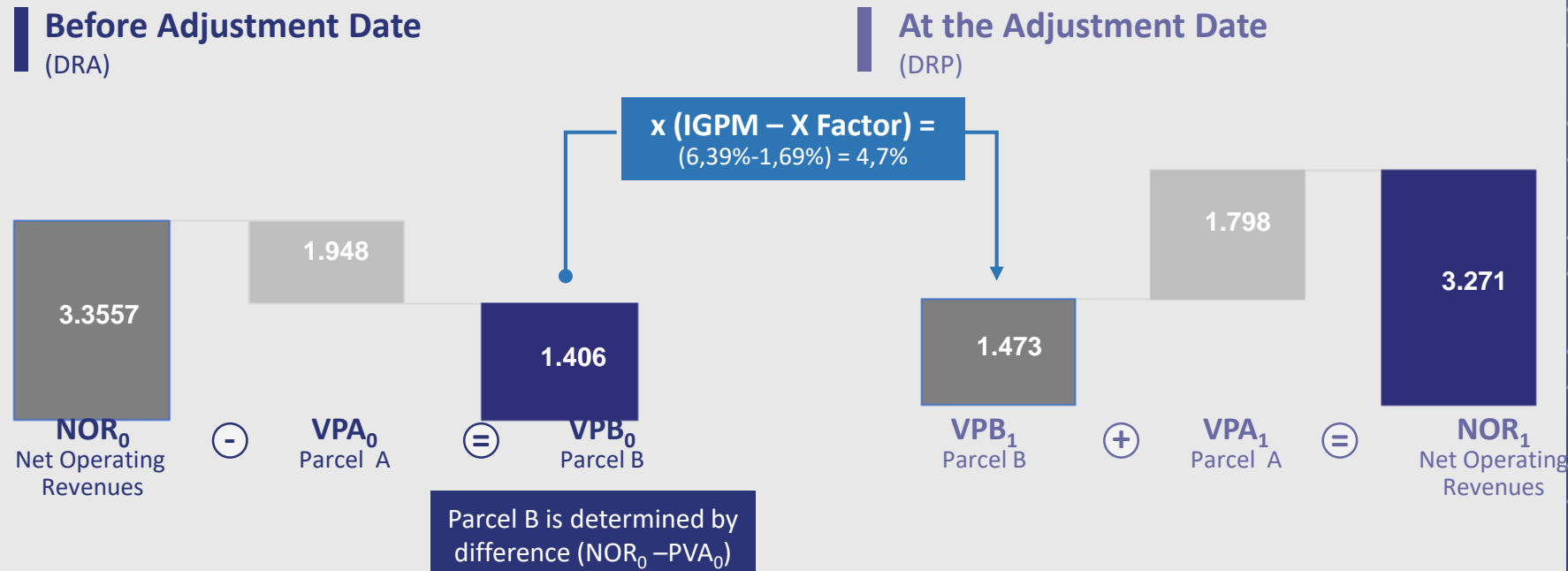
Tariff Review

- Tariff Reset and calculation of X Factor

**The difference between tariff adjustments
and tariff reviews is how Parcel B is defined**

Distribution regulation

MARANHÃO TARIFF ADJUSTMENT (2019)

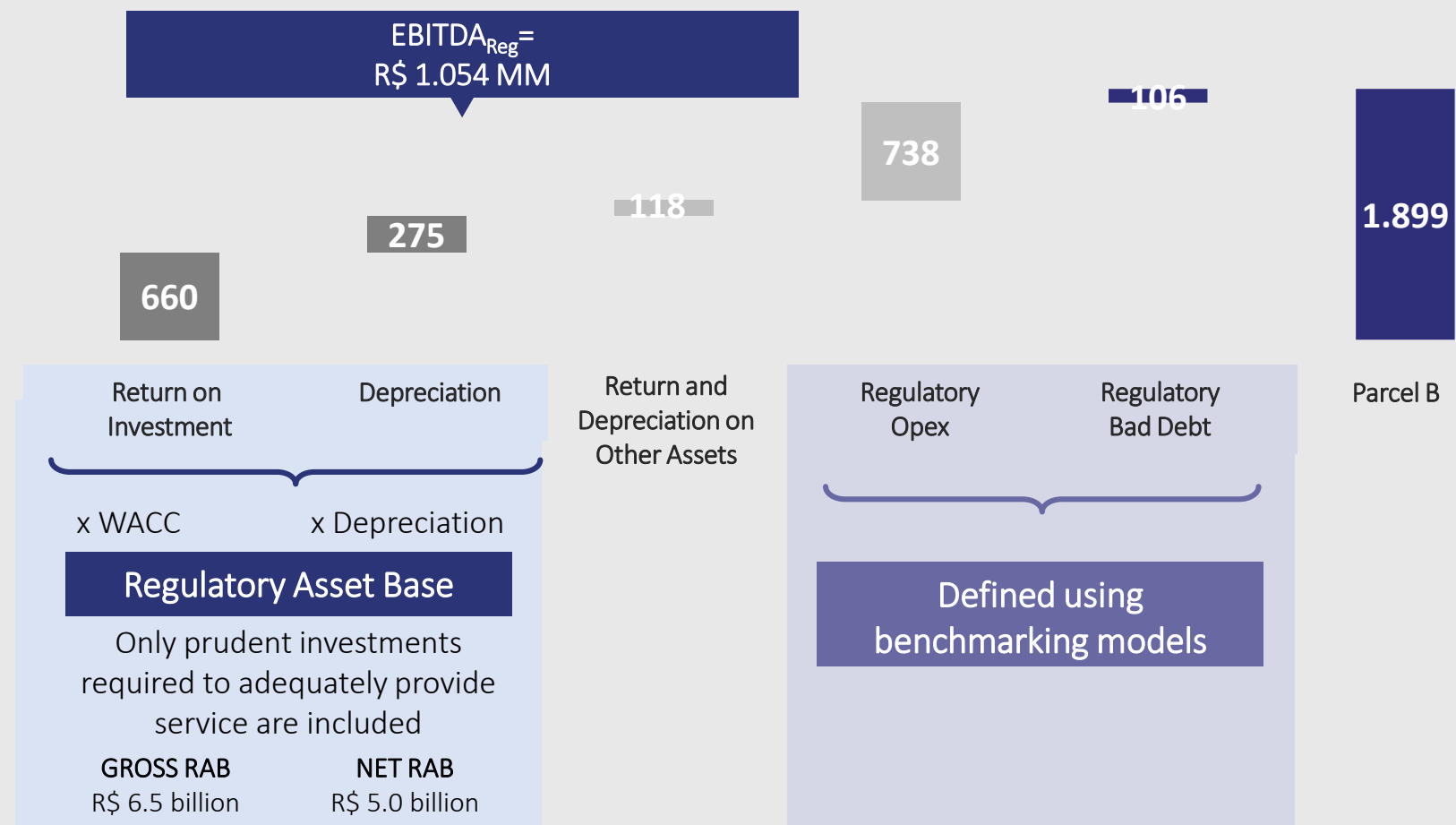


$$\text{TA} = \frac{\text{NOR}_1}{\text{NOR}_0} - 1 = 1.54\%$$

(+) Tracking Account
Change in Parcel A after last tariff process

Distribution regulation

CELPA's TARIFF REVIEW (2019)



Distribution regulation

X FACTOR

$$X \text{ Factor} = Pd + Q + T$$

Defined at each Tariff Adjustment

Change in SAIDI/SAIFI/IASC
Comparative Performances

Q

Defined at Tariff Review

Sector's Average Productivity
considering growth in volume
and number of consumers

Pd

X
FACTOR

T

Transition from Regulatory OPEX
verified in last 12 months to one set
on Benchmarking models

Thank you — 

IR Team

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