



EDP Energias do Brasil

May, 2019

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An integrated company



Generation **2.9** GW of installed capacity

- Focus on plants between 100 MW and 1000 MW
- 6 states



Distribution **25.0** TWh distributed energy

- 3.5 million clients
- 23.6% stake in an integrated asset (Celesc)
- 2 states



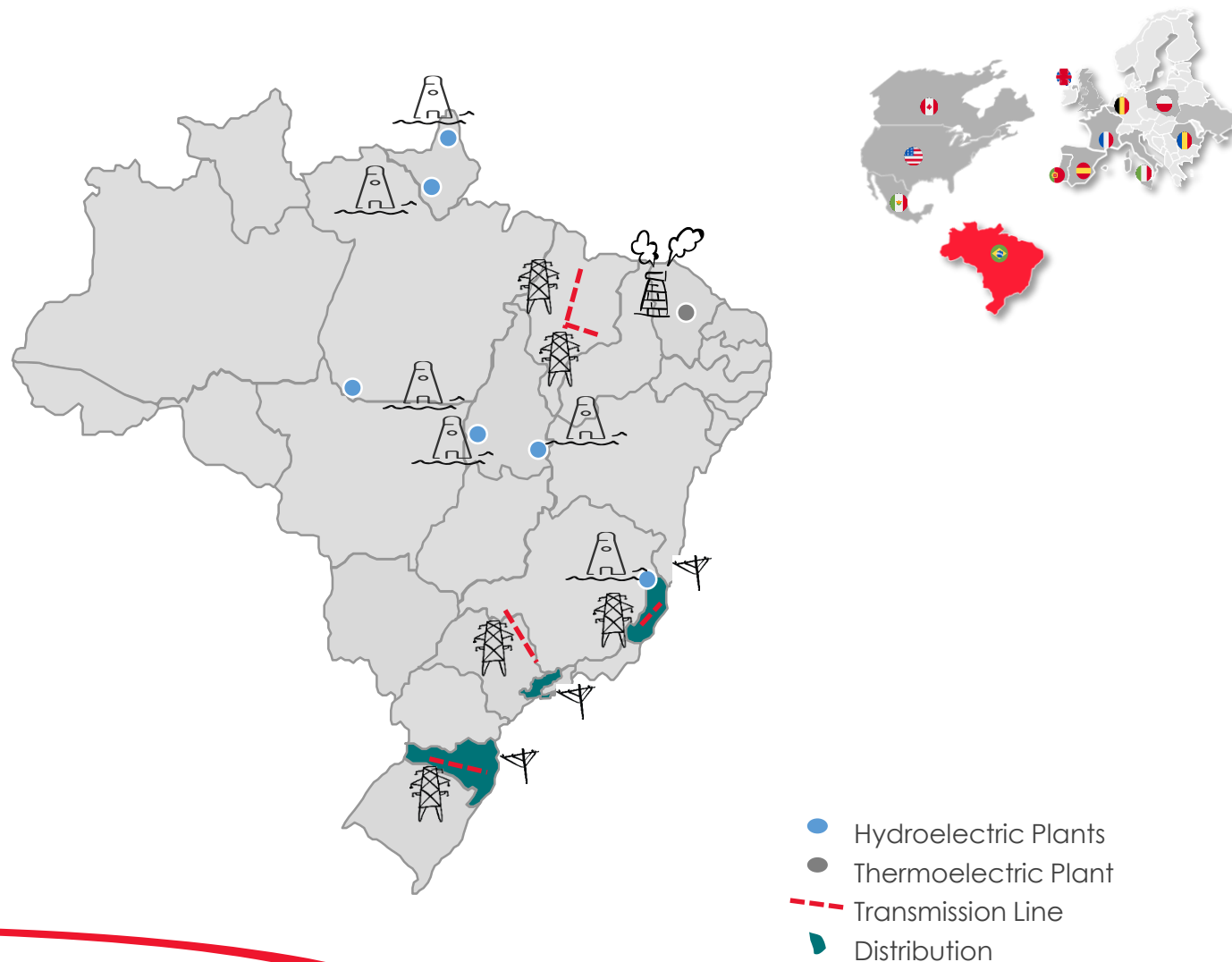
Transmission **1,297** Km in transmission projects

- Espírito Santo TL in operation (113 Km)
- 5 states



Trading/Services

- 18.1 TWh traded energy
- 1.4 MWp of solar PV in operation
- 24 MWp of solar PV in contracted projects



Listed on the Novo Mercado, adhering to high standards of Corporate Governance

High Corporate Governance standards

Board of Directors

MEMBERS APPOINTED BY THE CONTROLLING SHAREHOLDER

CHAIRMAN

ANTÓNIO MEXIA

- CEO EDP Group
- President of the Compensation Com.

VICE-CHAIRMAN

MIGUEL SETAS

- Member of the Sustainability Committee

JOÃO MARQUES DA CRUZ

- EDP Executive Board Member

MIGUEL STILWELL

- CFO EDP Group
- Member of the Compensation and Audit Committees

INDEPENDENT MEMBERS

FRANCISCO PITELLA

- President of the Internal Audit Committee
- Gov. and Related Parties Com. Member

MODESTO CARVALHOSA

- President of the Gov. and Related Parties Committee
- Member of the Audit and Compensation Committees

PEDRO MALAN

- Sustainability Committee Chairman

JULIANA ROZENBAUM

- Gov. and Related Parties and Sustainability Committee's Member

Councils / Committees

FISCAL COUNCIL

AUDIT COMMITTEE

SUSTAINABILITY COMMITTEE

COMPENSATION COMMITTEE

CORPORATE GOVERNANCE & RELATED PARTIES COMMITTEE

Executive Committee



MIGUEL SETAS
CEO



HENRIQUE FREIRE
CFO



LUIZ OTAVIO HENRIQUES
COO



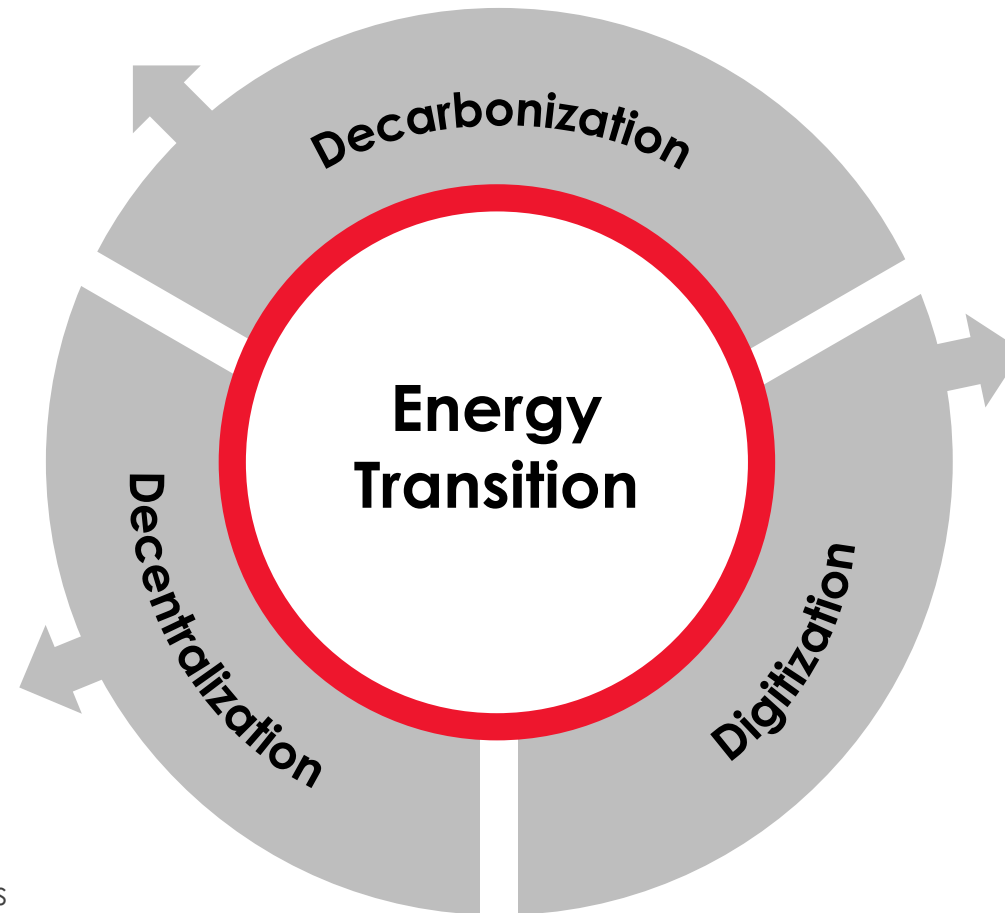
MICHEL ITKES
VP for Distribution



CARLOS ANDRADE
VP for Energy Services and M&A

Energy Transition

- Regulatory with adequate pricing indications
- Migration of energy matrix to clean energy sources
- Power storage
- Energy efficiency
- Electric mobility
- Environmental commitment



- New technologies
- IOT/connectivity
- Use of data (Big Data/Analytics)
- Smart Grids/Smart Cities
- Connected households
- Prosumer
- New products and services
- Personalization

- Distributed generation
- Growth in renewable energy sources
- Reduction in solar panel and battery costs
- Regulatory incentives for distributed generation
- Blockchain

Focus on creation of sustained value

edp

**Integrated company, leader in
value creation, sustainability and
innovation**

Consolidation as an integrated company
Excellence in execution
Consolidation of operational efficiency
Control of the risk factors
A pioneer in the use of new technologies

Market Cap
R\$ 3.0 billion



2005

Market Cap
R\$ 9.0 billion



2018

**Leading the energy
transition to create superior
value**

Expansion of investment options

Transmission

PV Solar

Smart grid

Electric mobility

Digital transformation



2022

Focused strategy along the entire value chain



Generation

- ✓ Focus on plants between 100 MW and 1,000 MW
- ✓ On time & on cost
- ✓ Divestment of non-core assets
- ✓ Thermal and hydro operational excellence
- ✓ Coal-free by 2030



Transmission

- ✓ Search for higher returns with controlled risk
- ✓ Economies of scope
- ✓ On time & on cost
- ✓ Target > 20% of EBITDA in 5 years



Distribution

- ✓ Rigorous selection of the markets
- ✓ Investment in the improvement of services reflecting in asset base growth
- ✓ Elimination of the difference for the regulatory loss target
- ✓ Focus on quality



Trading

- ✓ Mitigation of the energy risk
- ✓ Reduced volatility (EBITDA over R\$ 100 million)
- ✓ Positioning in new segments (retail) and for market liberalization



Services

- ✓ Two digit growth
- ✓ Leadership position in the distributed solar energy and electric mobility market
- ✓ Investment in energy efficiency

Strategic positioning | Value creation for the future

TSR
≈ 14% p.a.
since the IPO

A track record
of robust
performance

Double-Digit
Growth

- EBITDA - CAGR ≈ 10-12%
- R\$ 3.0 billion of capex contracted in transmission
- 25% to 35% increase RAB in the tariff cycle
- EBITDA > 100 million at the trading company
- Opportunities for M&A and capital recycling

Distinctive
Execution

- Anticipation > 12 months for transmission lots
- Investment > R\$ 440 million in losses reduction in the cycle
- Operational performance of the generation assets, a sector bellwether

De-risking

- GSF mitigation – ~20% hedge for 2019
- Restrictive credit policy
- > 60% of agreements on the regulated market, increasing to 30% of the contracts up to 2044

Discipline

- Cost increases below inflation
- OPEX/Gross Margin < 30% - benchmark in the sector
- Rigorous allocation of capital – Double-digit ROE
- Leverage ≤ 2.5x

Driven by
Technology

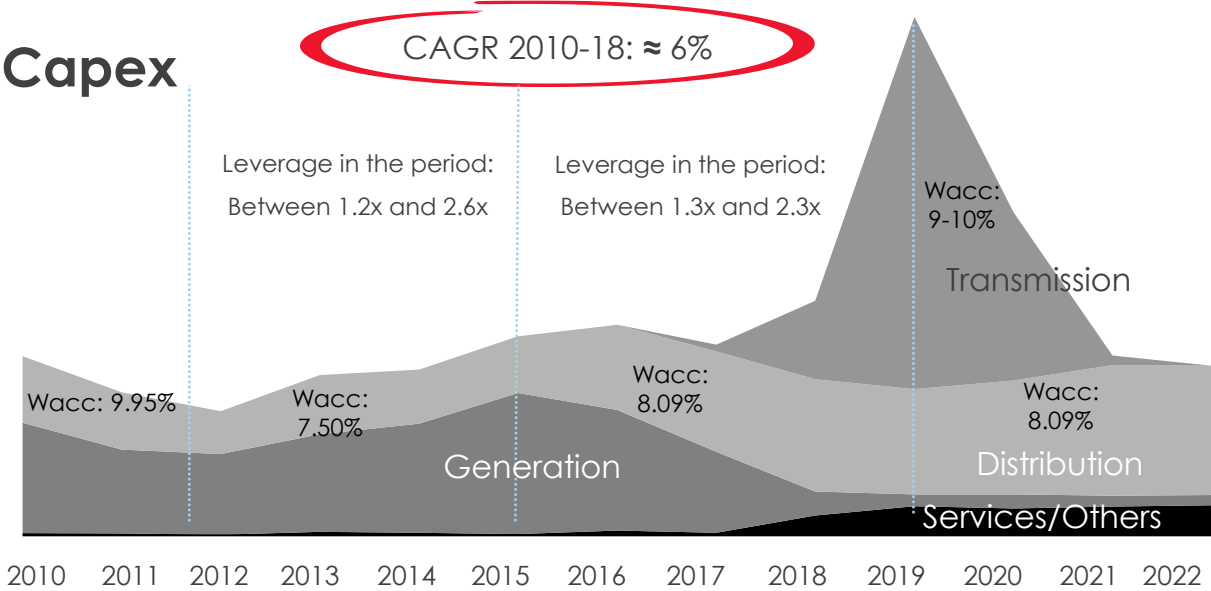
- Annual investment in Distributed Solar Energy > R\$ 100 million
- EDP Ventures – Investment of R\$ 30 million in 4 years
- Smart Grid pilot operation at EDP ES – Investment of R\$ 50 million
- More than 170 processes robotized in 2019

EBITDA
CAGR of
≈ 10-12%
2018-22

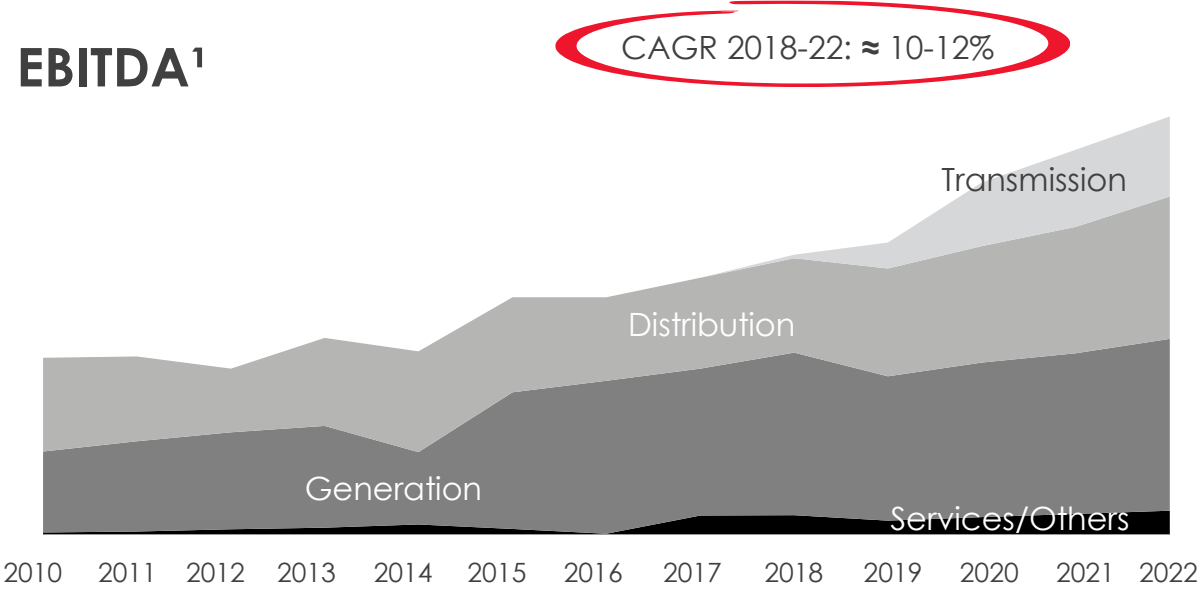
Attractive
outlook for
investment

Double-Digit Growth | Efficient and diversified allocation of capital

Capex

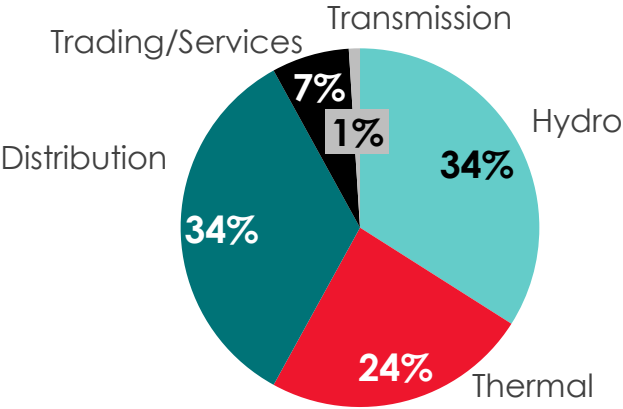


EBITDA¹



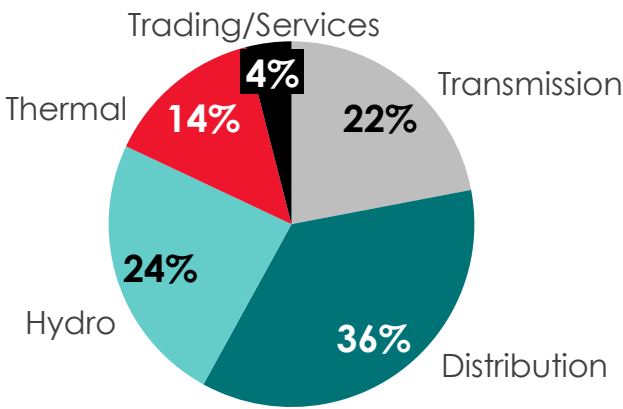
EBITDA

2018



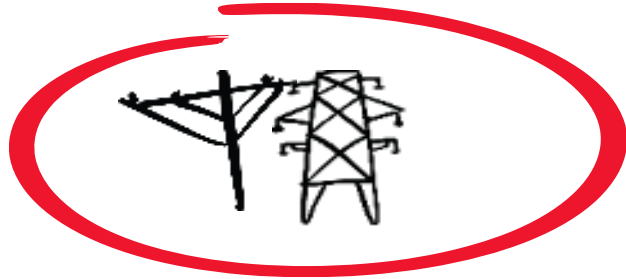
Balanced portfolio with diversification of businesses

2022



¹ EBITDA adjusted for added value: 2015 - Pecém and 2018 – sale of the SHPs

Double-Digit Growth | Opportunities for value creation

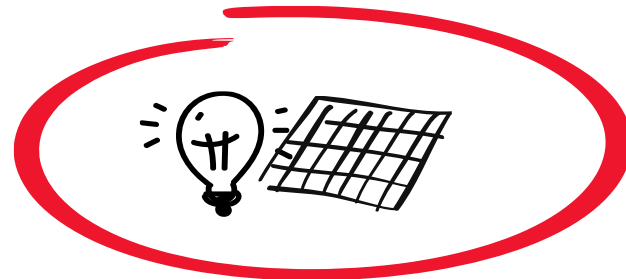
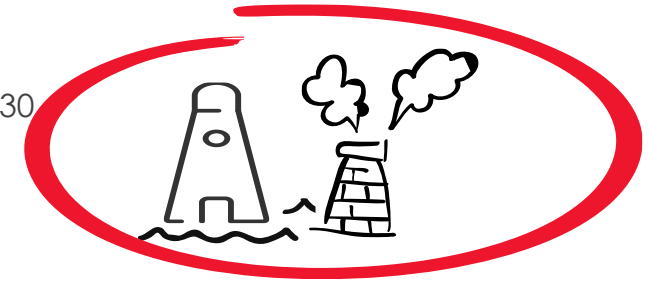


Networks

- Monitoring of new opportunities in transmission
- Opportunities for consolidation in distribution with attractive synergies and returns
- Reinforcement in the creation of value through the strategic partnership with Celesc
- Investment in Smart Grid

Generation

- Disinvestment/deconsolidation of the coal-fired thermal plants by 2030
- Opportunities for the crystallization of value
- Acquisition of minority stakes in existing projects



New Segments

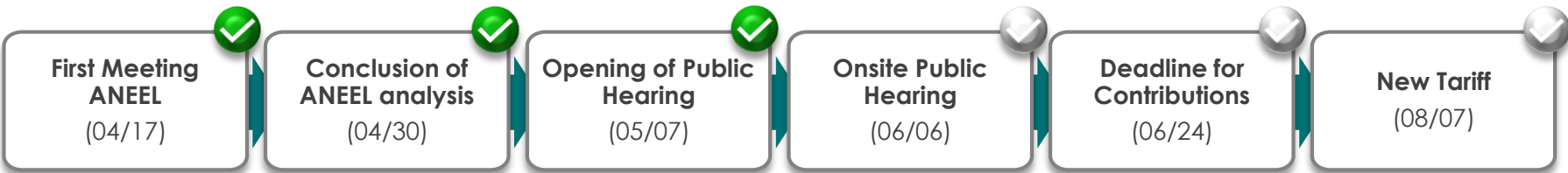
- Investments in energy services
- Investment in distributed solar and electric mobility

Double-digit growth | Tariff Revision



EDP Espírito Santo
Aug/2019

EDP Espírito Santo – Schedule:

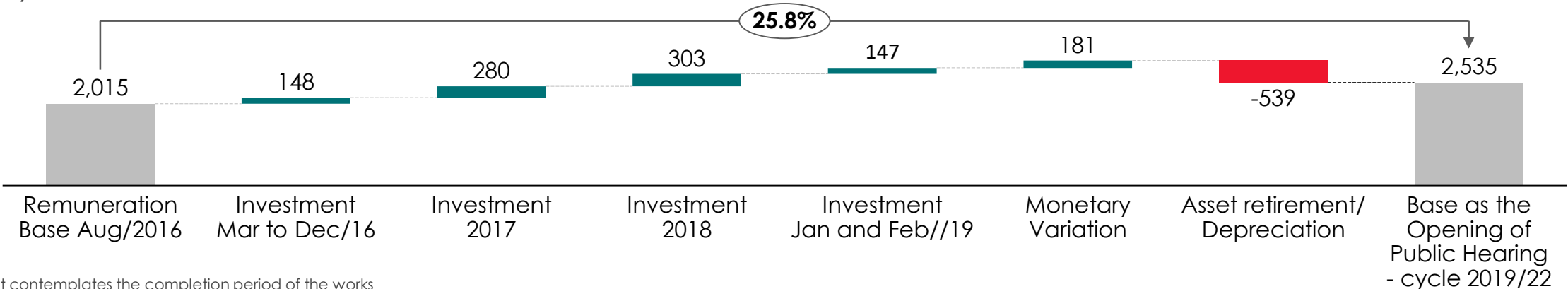


Numbers as of the opening of the Public Hearing:

- Technical Losses 6.17% and Non-Technical of 10.80%, with the expectation of **revision to a higher number** at the Public Hearing
- Expected impact to the consumer: **-6.66%**
- **Component B** of R\$ 993.5 million, an increase of >10%
- Non-recognized Capex of **<1.0%**

EDP São Paulo
Tariff Revision on
Oct/2019

EDP Espírito Santo – Remuneration base (R\$ Million)



Nota: investment contemplates the completion period of the works

Distinctive Execution | Superior performance in transmission

ES Line

Lot 24:

- ✓ Financing
- ✓ IL
- ✓ Const. work
- ✓ OL

Startup in operations Dec/2018,
20 months ahead of schedule



SC Line

Lot 21:

- ✓ Financing
- ✓ IL
- ✓ Construction work
- ✓ OL

- Environmental licensing divided into three parts:
 - Installation License (substation): 14 months ahead of schedule
 - Installation License of the Biguaçu – Siderópolis 2 TL: 12 months ahead of schedule
 - Remainder of the line with IL applied for
- **Construction work begun** – work in progress and imported cables already disembarked in Brazil



MA Lines

Lot 07:

- ✓ Financing
- ✓ IL
- ✓ Const. Work
- ✓ OL

- Preliminary License issued
- Application for obtaining IL being processed

Lot 11:

- ✓ Financing
- ✓ IL
- ✓ Const. Work
- ✓ OL

- Financing from the BNB
- IL obtained 12 months ahead of schedule
- **Construction work begun**



SP/MG Line

Lot 18:

- ✓ Financing
- ✓ IL
- ✓ Const. Work
- ✓ OL

- Public Hearing on May 07, 08 and 09
- Application for obtaining IL being processed



Total Capex
~R\$ 3.1 billion

RAP 2022
~R\$ 650 million



Distinctive Execution | EDP plants among the best in Brazil

Lajeado was rated the **best plant** in Brazil in 2018 (ANEEL Ranking)

Lajeado – 1st



Maximum scores for:

- Safety ✓
- Environment ✓
- Operational Management ✓
- Maintenance Management ✓

Classification ¹	General Score
1 st UHE Lajeado	99.55
10 th UHE Peixe Angical	94.39
12 th UHE Mascarenhas	94.09

Three of EDP's HPPs among the best in Brazil (out of 144)

Enerpeixe – 10th



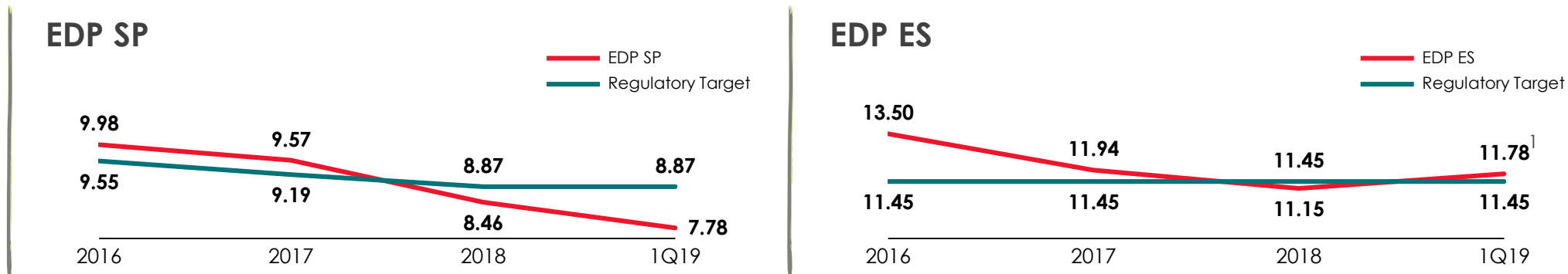
Energest – 12th



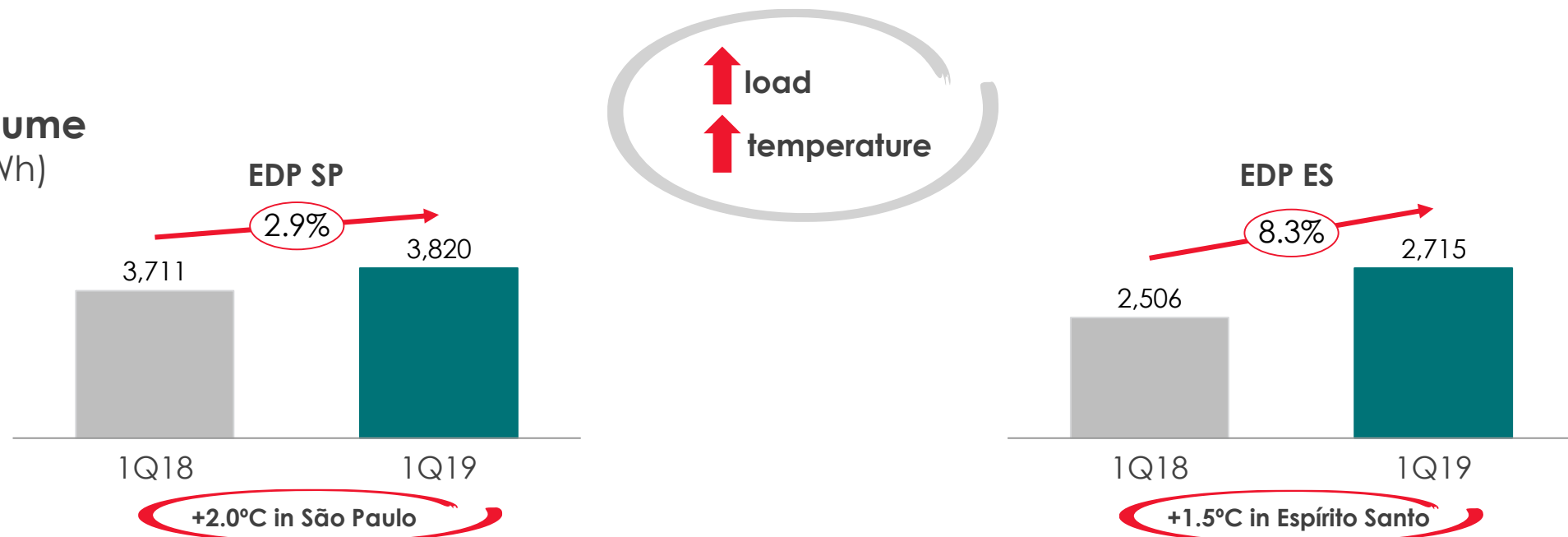
¹ Report on the Monitoring of the Campaign for Inspection of Performance of the HPPs with Centralized Dispatch by the ONS – 2019
² Electro-energetic Operation Planning Report – Preliminary Analysis of the FCF for the month of March/2019

Distinctive Execution | Loss reduction

Trend in LV Commercial Losses



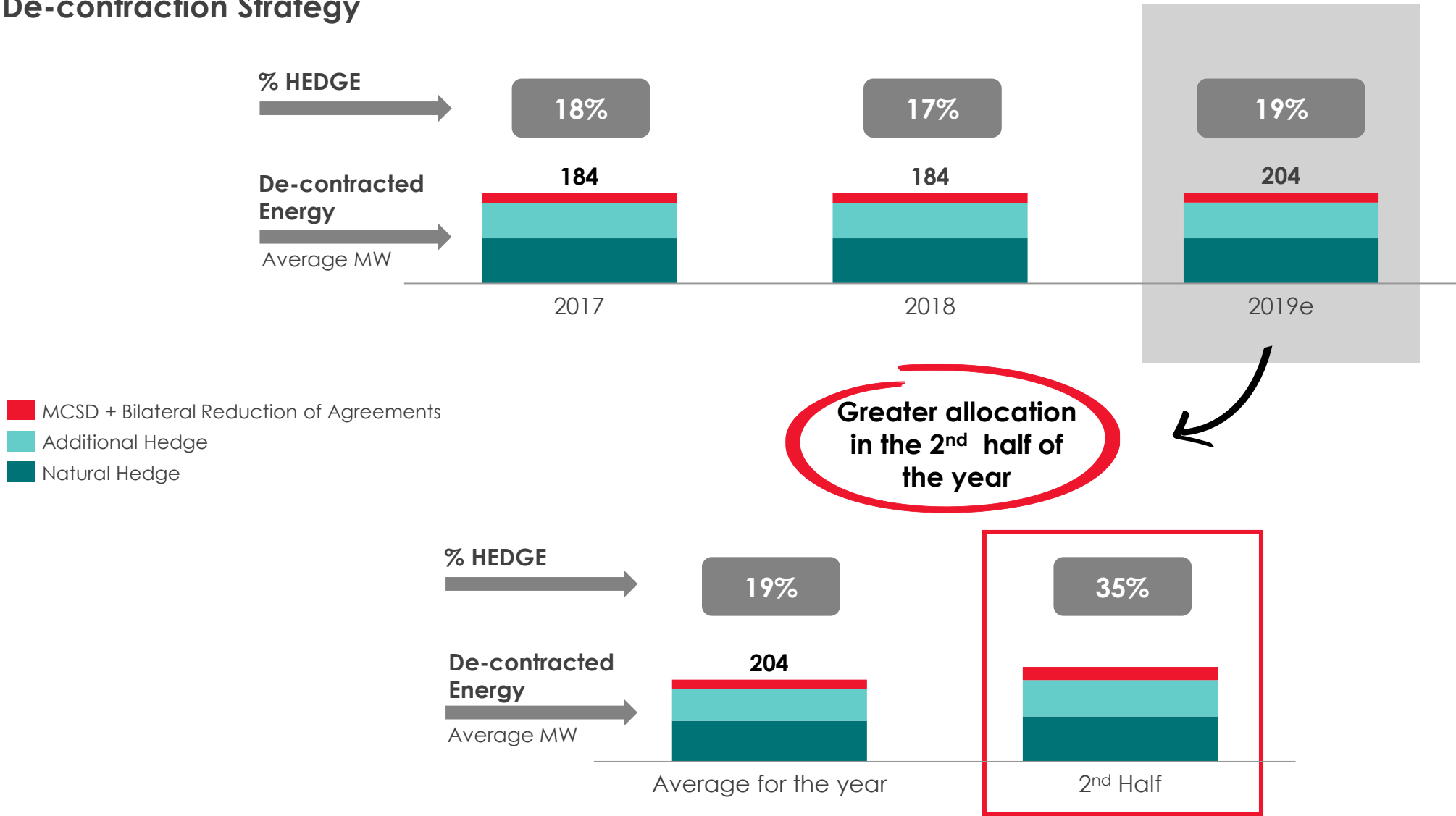
Volume (GWh)

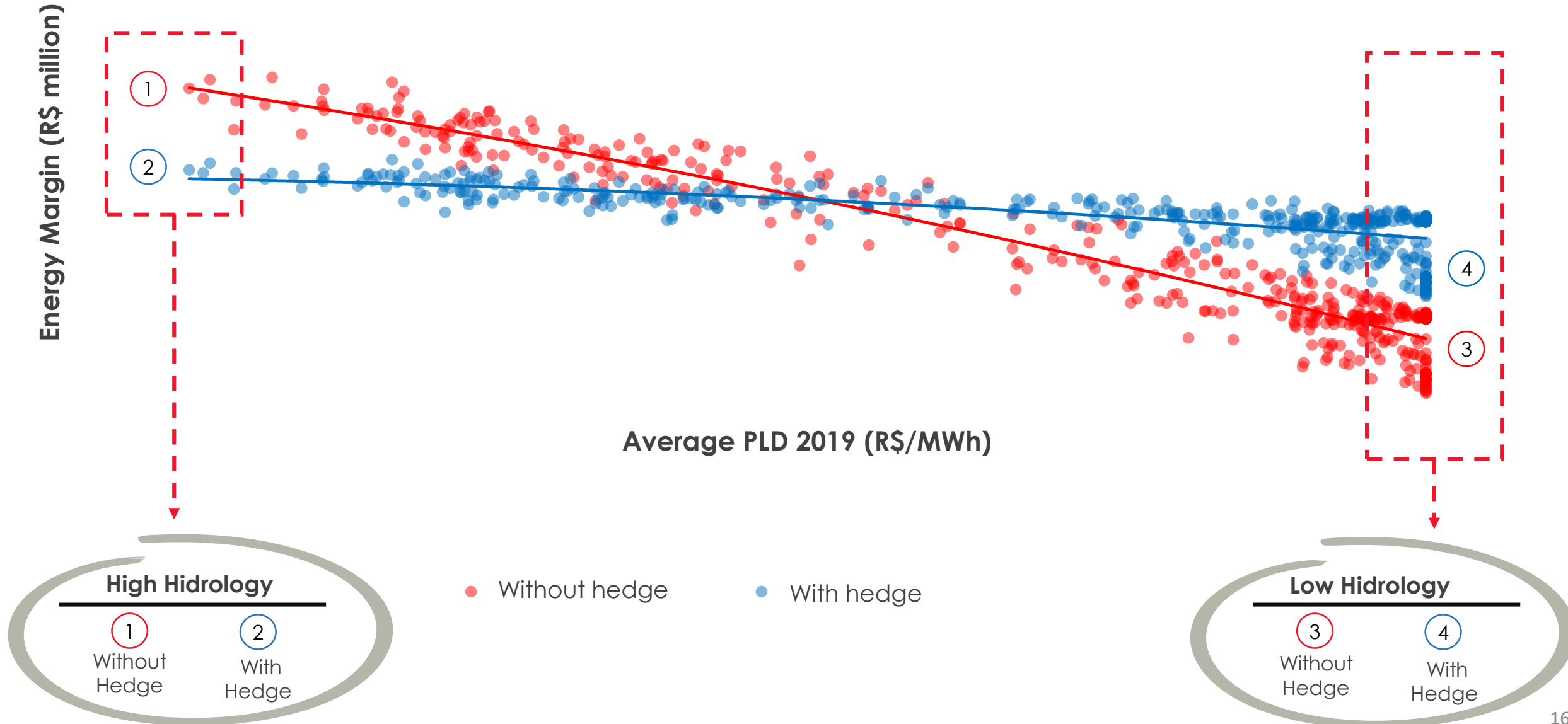


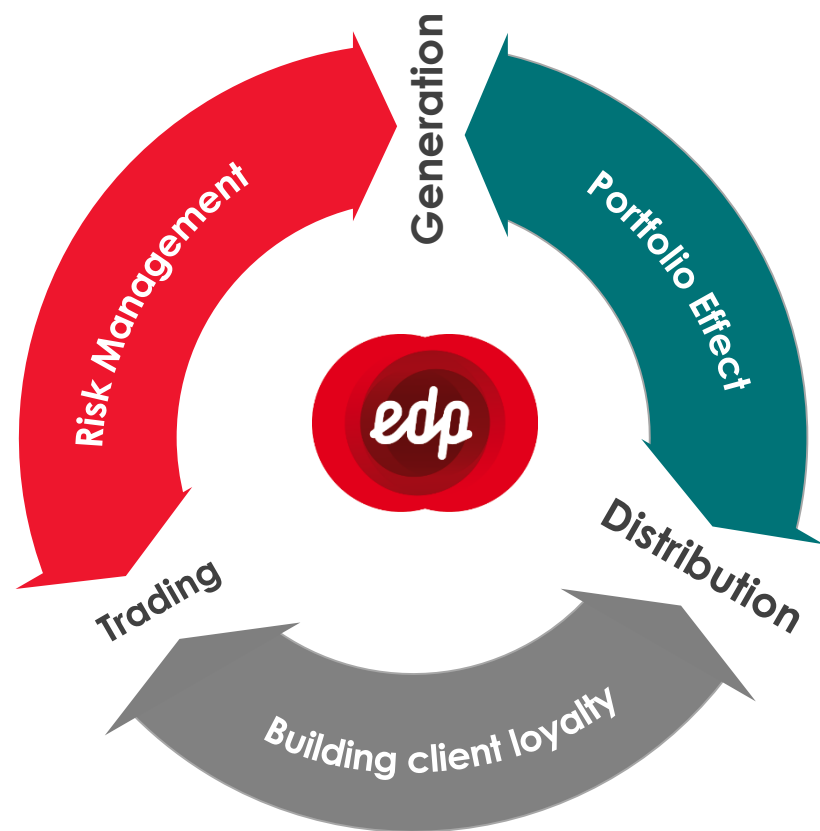
1) Disregarding the impact of non-billed consumption, LV commercial losses would be 11.50%.

De-risking | Energetic risk integrated management

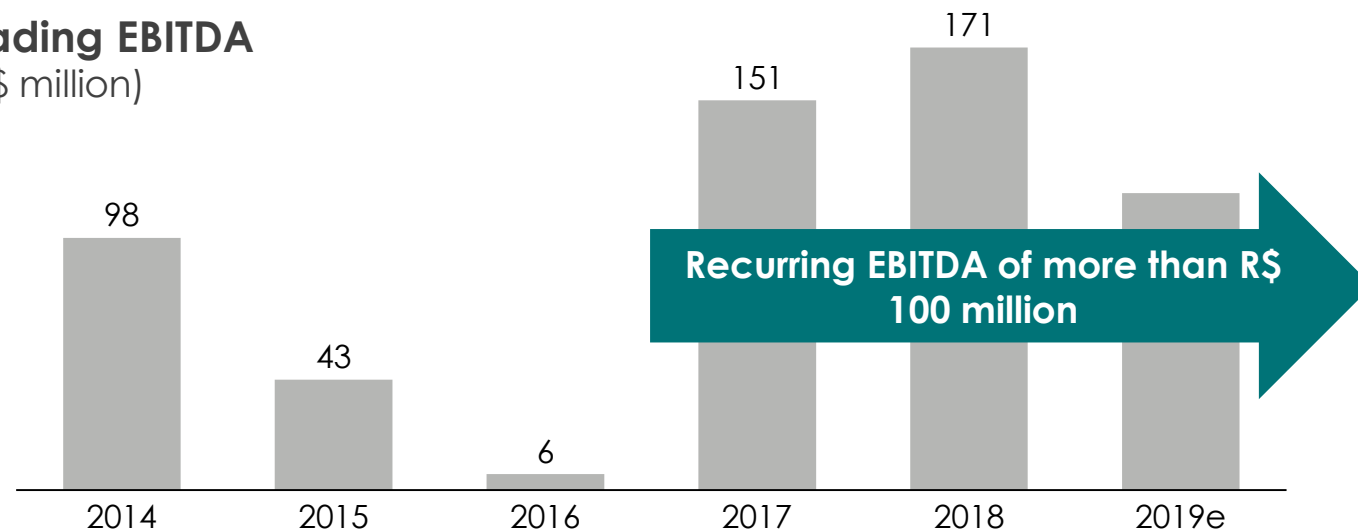
De-contraction Strategy







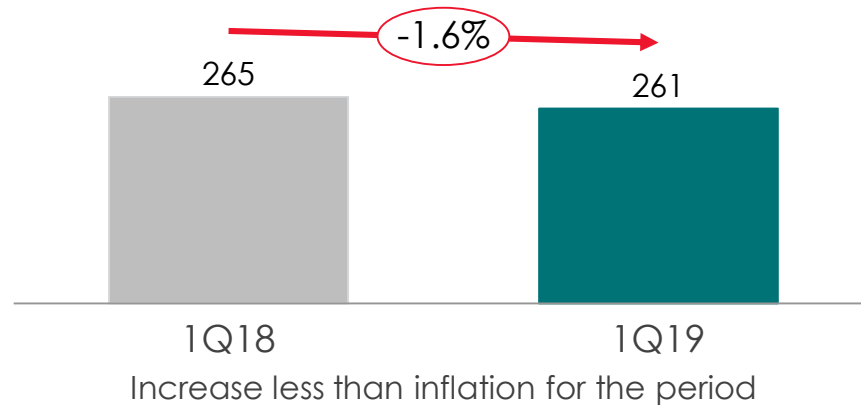
Trading EBITDA
(R\$ million)



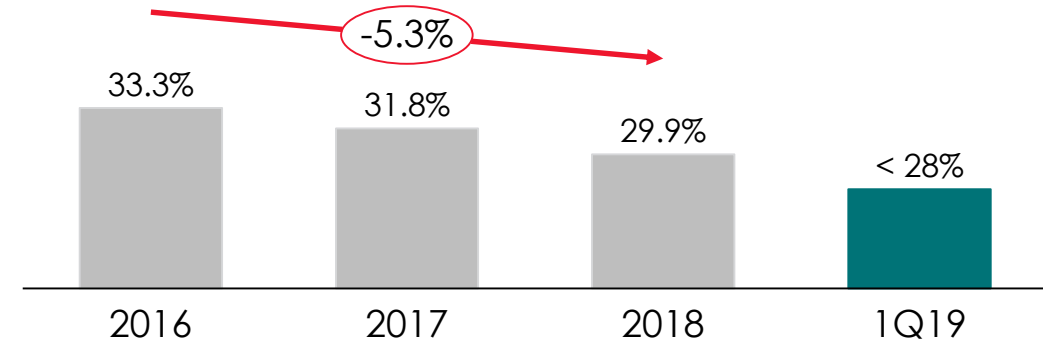
**Integrated management reduces
volatility in the generation of margin**

Discipline | Efficacy in the control of costs

Recurring PMTO(without PECLD)¹ (R\$ Million)



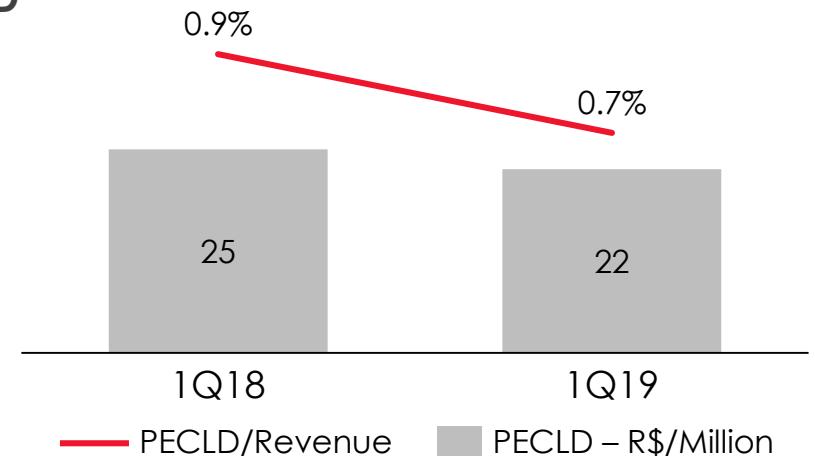
Opex/Gross Margin²



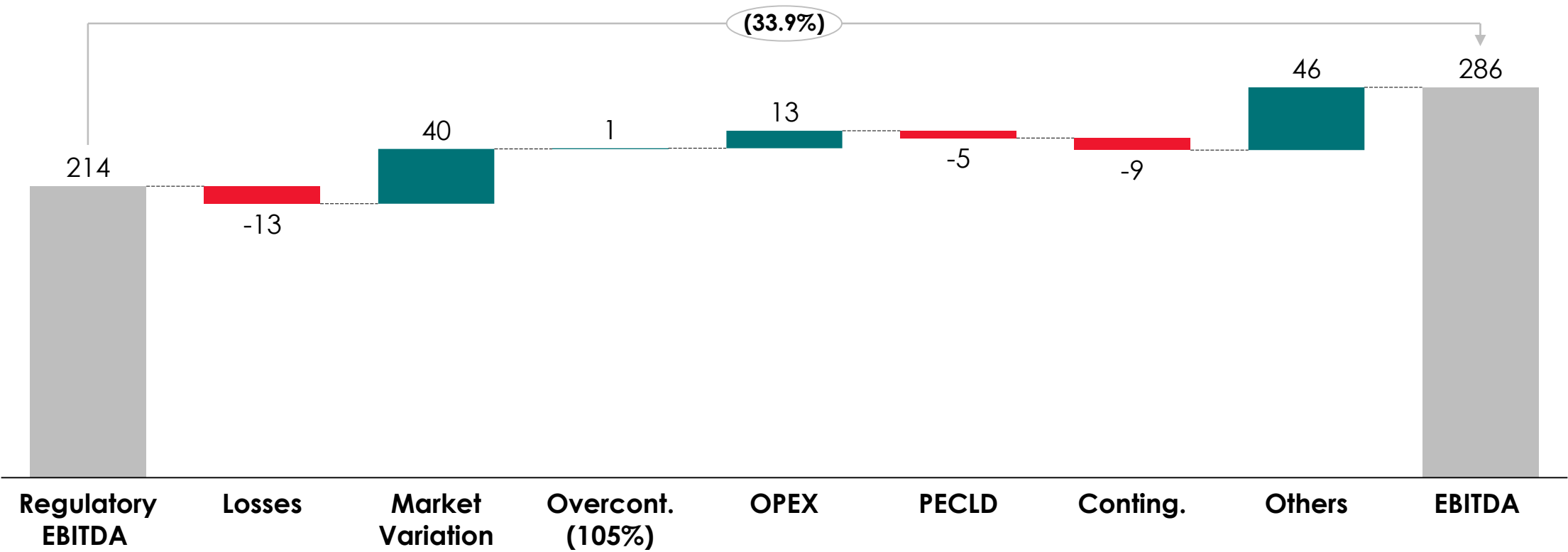
Efficiency gains of more than R\$ 266 million³

- Definition of strategic focus of investment
- Robotization of processes
- ZBB initiatives
- Shared Services Center
- Optimization of execution
- Procurement negotiations

PECLD



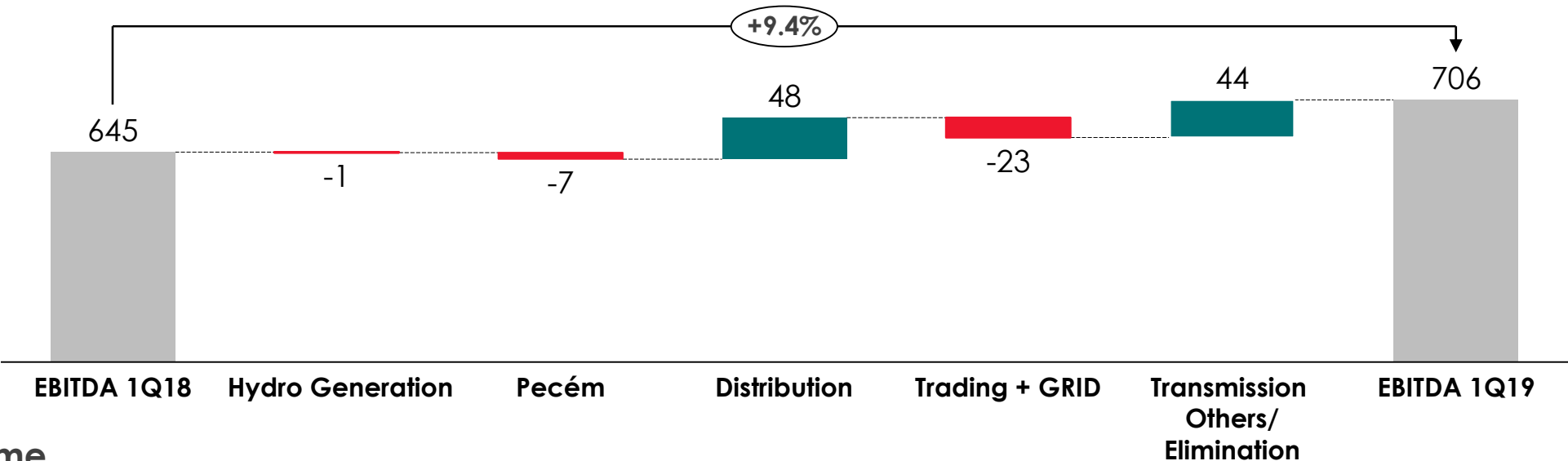
Consolidated Distribution Regulatory EBITDA (R\$ Million)



Discipline | Generation of sustained value

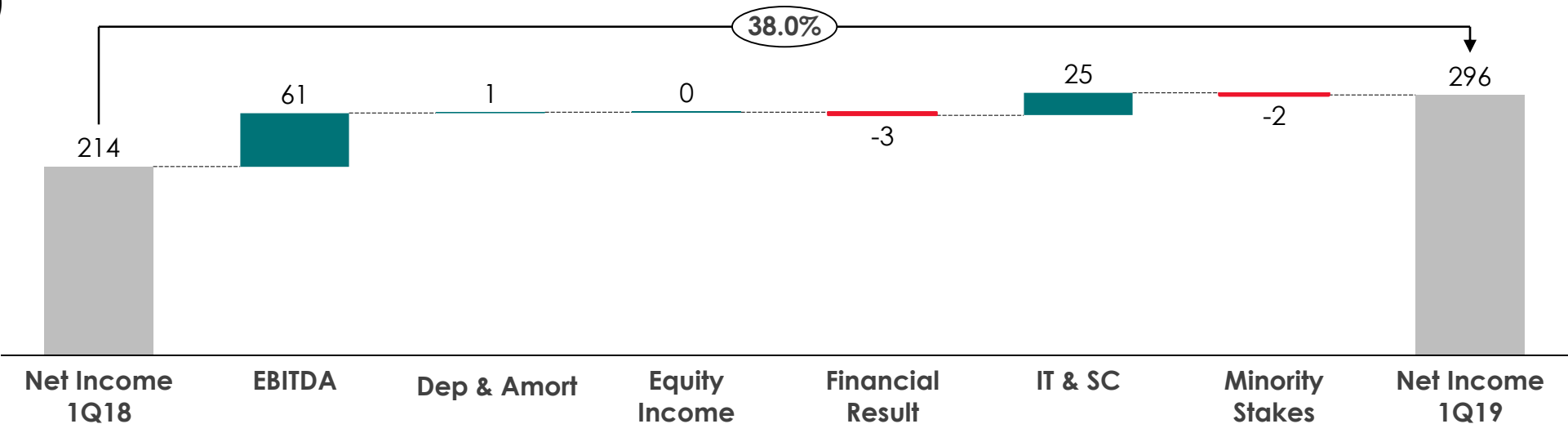
EBITDA

(R\$ Million)

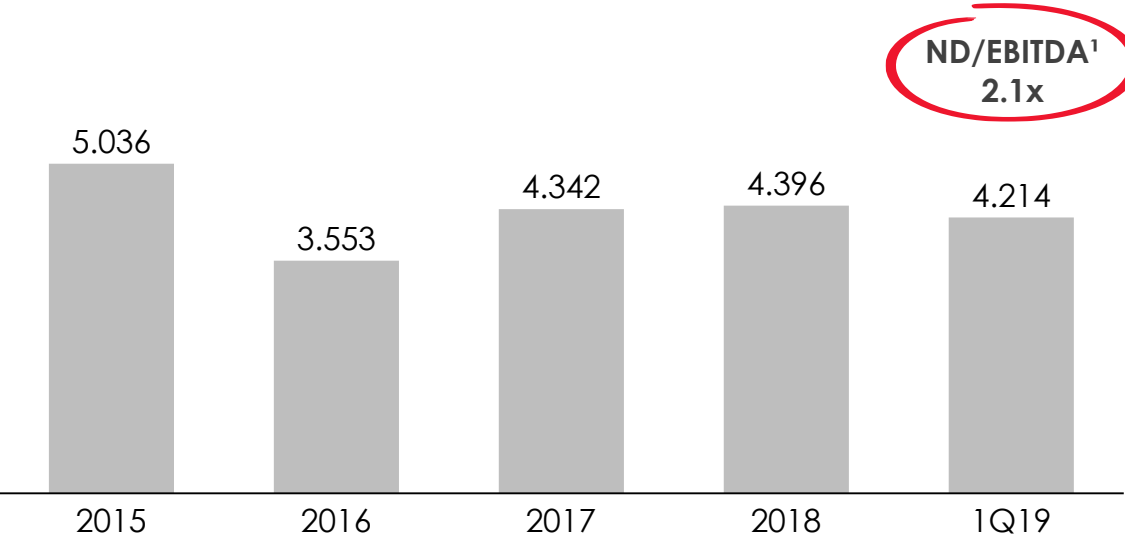


Net Income

(R\$ Million)

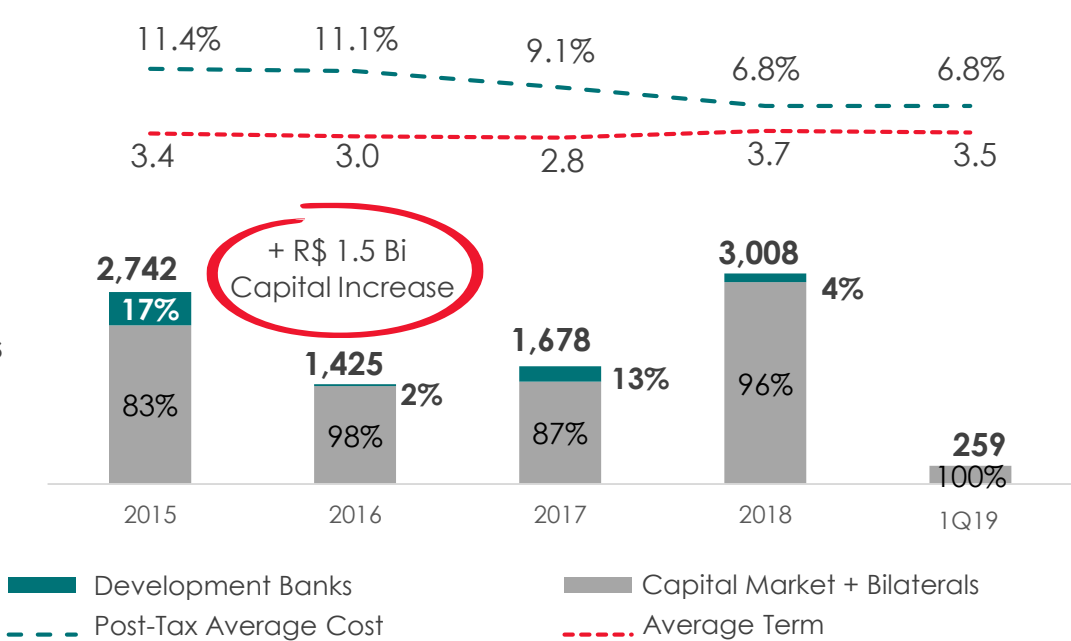


Evolution in Net Debt and Leverage



Total Disbursements per year →

Evolution in Average Term and Post-Tax Average Cost

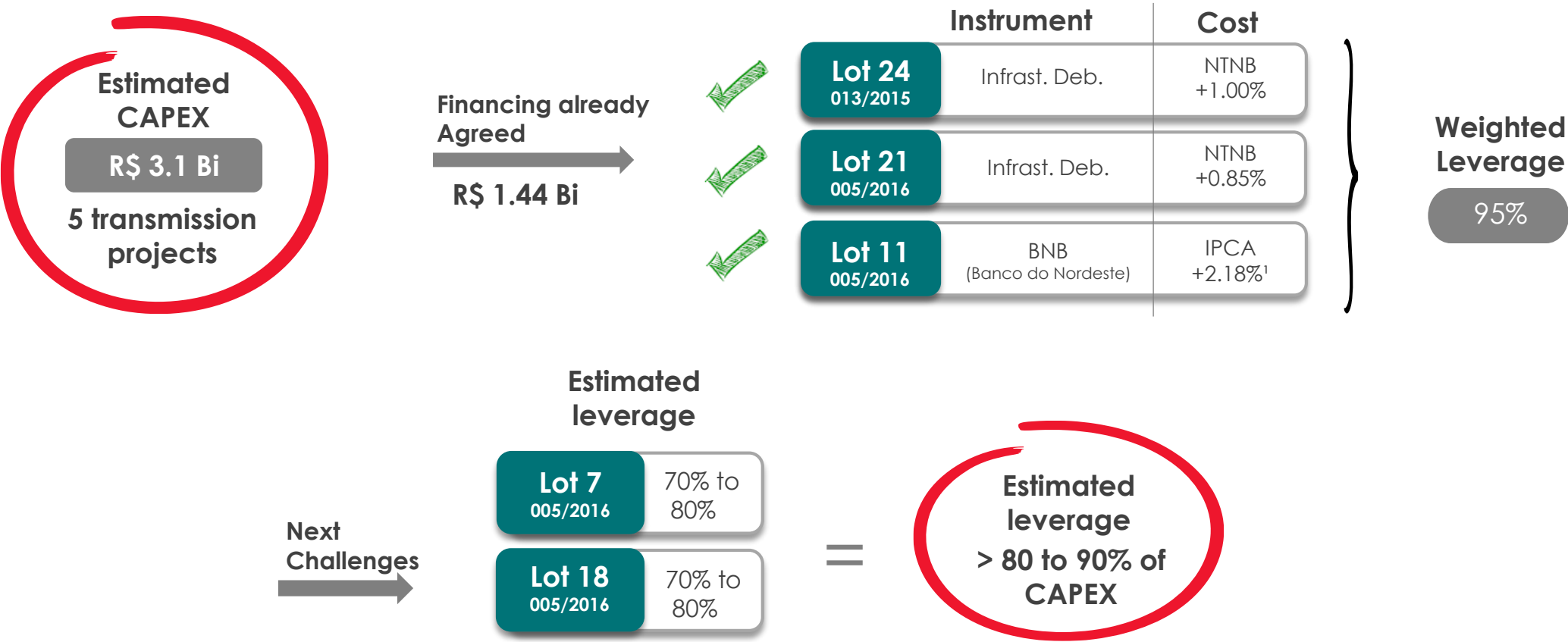


Reduction in cost of debt

¹ Excluding non-recurring effects in te last 12 months

Discipline | Diversification strategy of financing sources

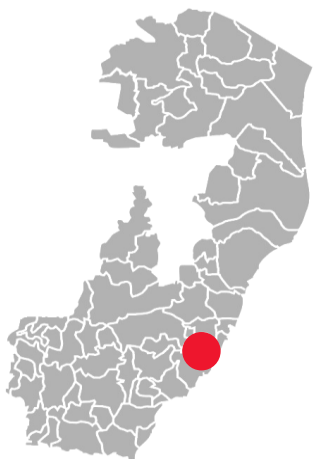
Transmission Financing



¹ Considers non-delinquency bonus



INOVGRID



Proof of Concept
began Jan/2019

Implementation area
} Vila Velha and Paulo Celso

Investment
of R\$ 52.8
million

58.2
thousand
customers



Electric Mobility



Next steps

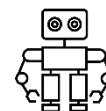
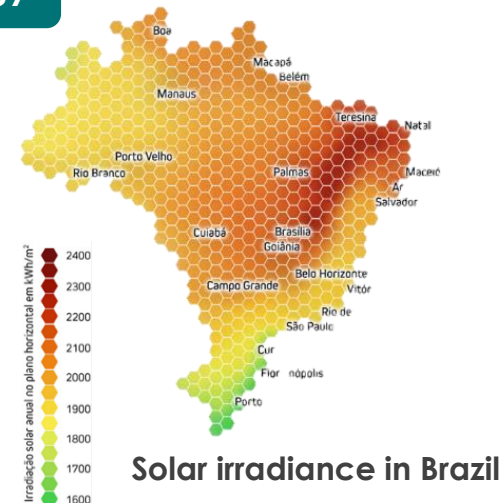
- New electric corridors
- Partnership with strategic companies
- Fleet 100% electric by 2030
- 360° electric mobility
- EDP Ventures and M&A
- B2B and B2C electric mobility



Photovoltaic Solar Energy

25.2 MWp in
contracted projects

B2B projects in DG and self-
production as well as new front in
B2C with a focus on the
residential consumer



Robotization and Artificial Intelligence

- 142 robotized processes
- A target of 170 processes in 2019

Sustainability | Towards Agenda 2030

EDP Targets 2016-2020



To create economic value

- Maximum of 25% in coal-fired power generation;
- 100 GWh energy savings at clients;
- R\$ 100 million in telemetering (BT);
- R\$ 100 million in innovative projects.



To manage environmental and climatic issues

- 100% environmental certification;
- Internalize the circular economy concept and foster energy efficiency in buildings;
- Valorize environmental externalities in relation to priority ecosystem services.

To develop our people



- >75%: levels of employee engagement;
- Equality of access in hiring processes;
- 100% occupational health and safety certification .

To enhance trust



- EDP as one of the Most Ethical Companies in Brazil;
- > 80% client satisfaction;
- Mechanisms for periodic consultation with stakeholders;
- R\$ 50 million for social businesses and sustainable lifestyle initiatives.

EDP Targets 2019-2022



Installed renewable and solar capacity.



>Use of electric vehicles.



>Female participation in the work force.



Enhancing the value of waste and reducing the use of non-renewable raw materials.



Energy efficiency at the clients and decarbonization of the cities.



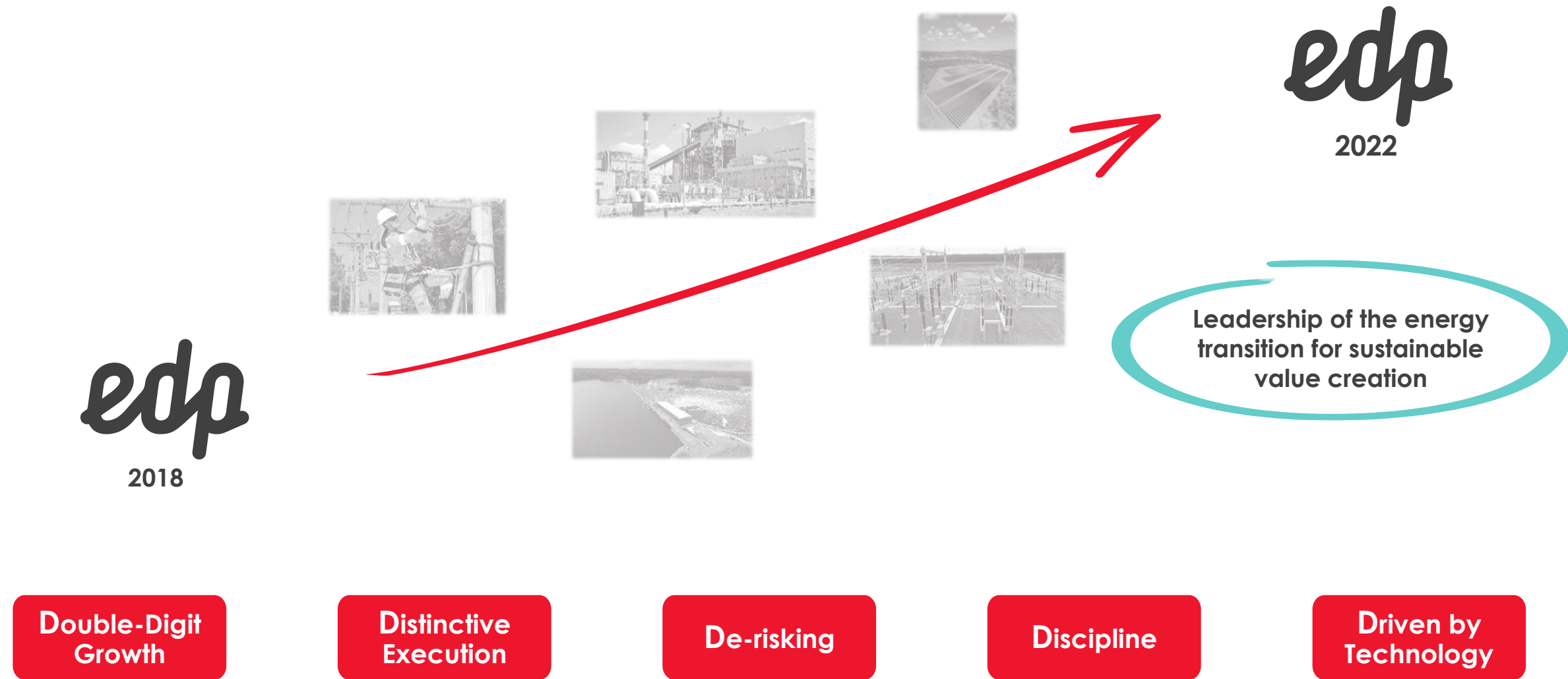
Plans for Adaptation to Climate Change, reduction of emissions and TCFD.



> Participation in volunteer actions and maintenance of investment in the community.



0 fatal accidents with people and 0 environmental occurrences.





Relações com Investidores

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