

A photograph of a modern, multi-story office building with a grid of windows and a prominent external staircase. In the foreground, a large stone wall features the Copel logo and name. The scene is set against a backdrop of green trees.

# 1Q20 RESULTS

Daniel Pimentel Slaviero - CEO  
Adriano Rudek de Moura - CFO

05.15.2020



# 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

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Daniel Slaviero - CEO

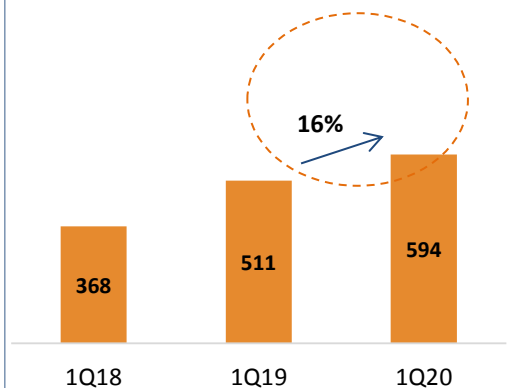
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# 1Q20 Highlights

Another quarter of solid and consistent results ...

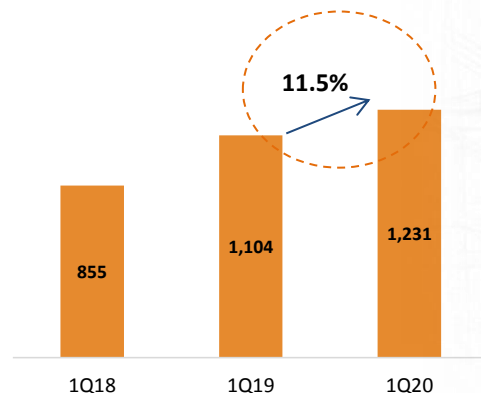
Adjusted **Net Income** in  
1Q20 of **R\$ 594 million**

Evolution of Adjusted Net  
Income



**R\$ 1,231 million** in  
1Q20 of **Adjusted EBITDA**

Evolution of Adjusted  
EBITDA



# Strength to face the crisis



Focus on adapting to the new reality...



## **Robust Cash Position**

Over \$ 3 billion in march 2020



## **Solid Current Liquidity of 1.5x**

Net working capital of + R\$ 2.7 billion



## **Reduced Financial Leverage**

of 2.68x in 1Q19 for 1.88 x in 1T20



## **Low Debt Maturity in 2020**

< R\$ 1.3 bi in 2020 (~R\$3.6 bi in 2019)



# Relevant Advances in 1Q20



Performance improvement in all businesses...

- ⚡ **Copel DIS – 12.2% efficiency (vs. regulatory)**  
EBITDA of ~R\$ 1.3 billion (LTM)
- ⚡ **Program “Transformação” in DIS – R\$ 2.9 billion by 2025**  
Biggest investment in history in DIS (R\$200 million in 1Q20)
- ⚡ **Copel COM – Among the Largest in the Sector**  
~4.0 GWm no 1Q20 (+42% vs. 1Q19)
- ⚡ **SPE MSG – 862 km of lines in operation**  
Arp of R\$ 213 million – 87.6% of total
- ⚡ **Jandaíra Wind Complex – 90 MW**  
Authorizations granted by the MME
- ⚡ **SHP Bela Vista – 29.4 MW**  
Construction works move fast





# Contingency Plan – COVID019



Monitor and Mitigate Business Impacts and Consequences...

- ⚡ **People safety** first
- ⚡ **Continuity of Activities**  
considered essential
- ⚡ **Regulatory agency** guidelines and requirements
- ⚡ **Focus on Cash** to preserve financial strength
- ⚡ **Support to Combat Pandemic** with donation of R\$ 5 million (Tests and Masks) and Solidary Invoice (up to R\$ 5.00 per membership)



# Focus on Strategy Execution



Alignment of all businesses with strategic guidelines...



## **Maintenance of Investments in 2020**

~R\$2.0 billion (R\$316 million in 1Q20)



## **Operational Efficiency and Cost Reduction**

BCG Consulting, Meritocracy (PPD) linked to objective



## **Sale of Copel Telecom**

- Aneel's Prior Consent (swap contracts)
- Continuity of Studies
- Public Consultation (CCVA + Notice)
- Teaser (business information)





A photograph of a wind farm at sunset. The sky is a deep orange-red, and the sun is a bright white circle on the horizon. Several wind turbines are silhouetted against the sky. A large turbine is in the foreground on the left, and several smaller ones are in the background. A power line tower is also visible on the horizon.

# 1Q20 RESULTS

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Adriano Rudek de Moura - CFO

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# Financial plan (COVID19) focused on cash...



Solid financial position, with cash above R\$ 3 billion, with no relevant debt maturities...

- Action plan aligned with the Contingency Committee (collegiate with all SIs)
- Short-term cash generation actions (2-3 months)
- Daily monitoring of assumptions, scenarios and impacts (sense of urgency)
- Cash analysis among SIs (consolidated Copel)
- Monitoring of sector alternatives (MME, Aneel, BNDES, etc)

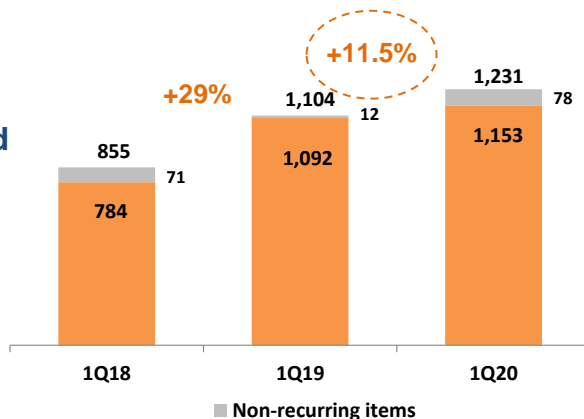
# EBITDA and Adjusted Net Income



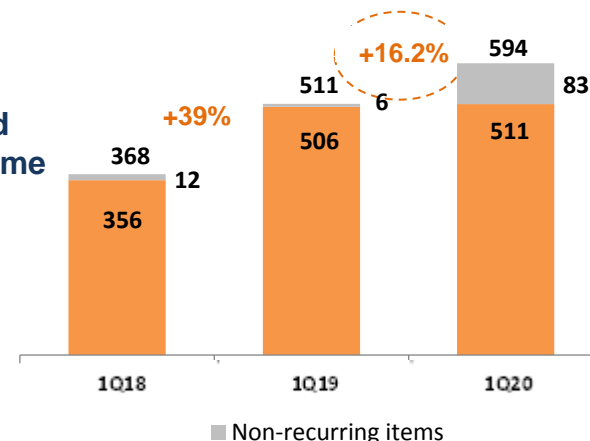
R\$ milhões

## Solid and Consistent Results...

**EBITDA  
Adjusted**



**Adjusted  
Net Income**



**Non-recurring  
items**

**EBITDA**

	1Q18	1Q19	1Q20
<b>Report</b>	<b>784.0</b>	<b>1,092.0</b>	<b>1,153.0</b>
(+) Impairment	3	5	32
(+) Provision for corporate losses and other investments	-	(2)	14
(+) Arbitration - Caiua Agreement	-	-	15
(-) MTM Copel COM	-	(12)	(4)
(+) Estimate of loss due to default (COVID)	-	-	13
(+) Write-off – Telecom assets	-	21	8
(+/-) Exchange variations (COVID)	-	-	-
(-) Tax Credit - Pasep	(23)	-	-
(+) Provision for PDI	91	-	-
<b>Final</b>	<b>855</b>	<b>1,104</b>	<b>1,231</b>

**Net Income**

	2018	2019	2020
<b>Report</b>	<b>356</b>	<b>506</b>	<b>511</b>
(+) Impairment	2	6	38
(+) Provision for corporate losses and other investments	-	(1)	11
(+) Arbitration - Caiua Agreement	-	-	16
(-) MTM Copel COM	-	(8)	(2)
(+) Estimate of loss due to default (COVID)	-	-	9
(+) Write-off – Telecom assets	-	13	5
(+/-) Exchange variations (COVID)	-	(5)	7
(-) Tax Credit - Pasep	(50)	-	-
(+) Provision for PDI	60	-	-
<b>Final</b>	<b>368</b>	<b>511</b>	<b>594</b>

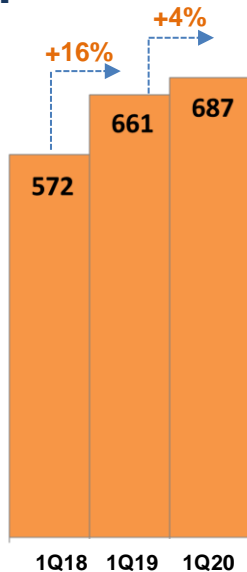
# Adjusted EBITDA - SIs



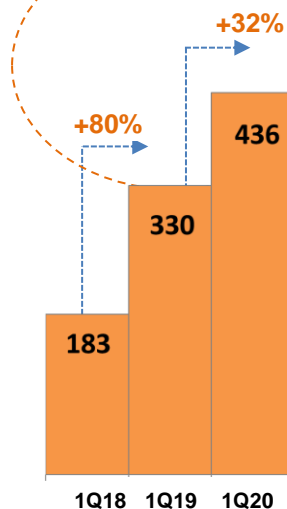
R\$ million

Improvement in all major businesses, with emphasis on DIS...

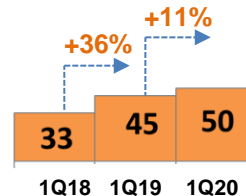
## GeT



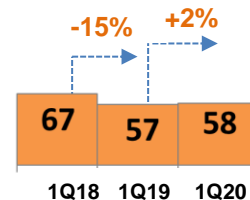
## DIS



## Telecom



## Outras



Others: Copel COM, Compagás, Elejor and Holding

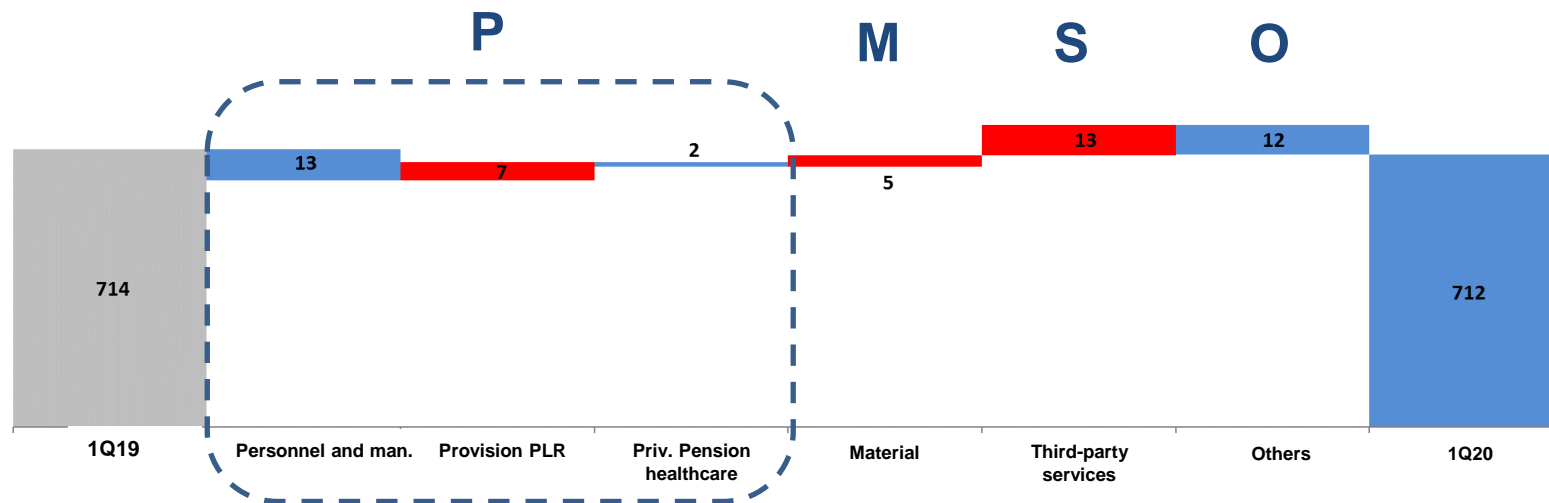


# Manageable Costs – PMSO (excluding *impairment*)



R\$ million

Stable costs despite the effects of inflation...



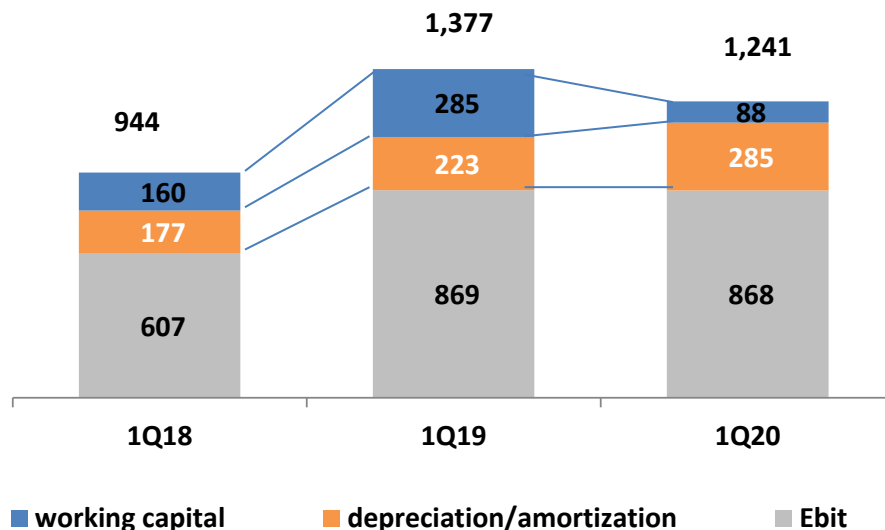
- Reduction of 516 employees 1Q20 vs. 1Q19 (-1,193 employees in the last 2 years)
- Higher profit-sharing due to improved results
- Increase in outsourced services, mainly in DIS



R\$ million

# Operating Cash Generation

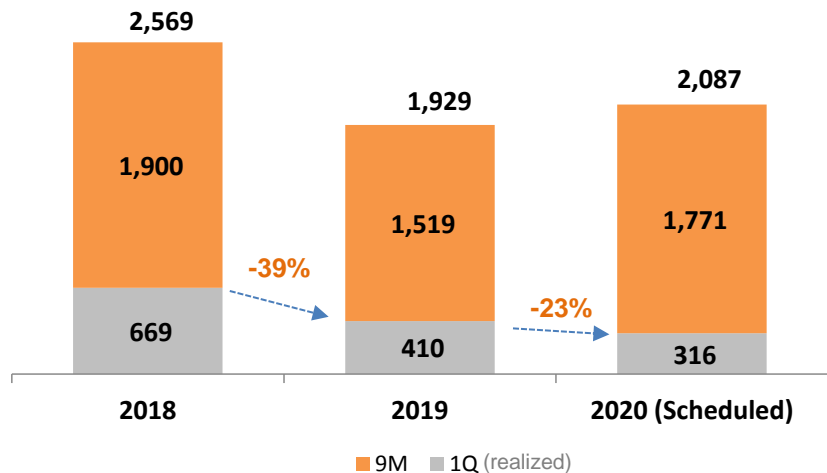
Solid cash generation due to improved EBITDA, affected by an increase in working capital...



- Higher EBITDA due to the completion of works and improvement in DIS
- Higher payment of suppliers due to the completion of works
- Highest IRRF payment for the highest declared JCP

# Investment Program

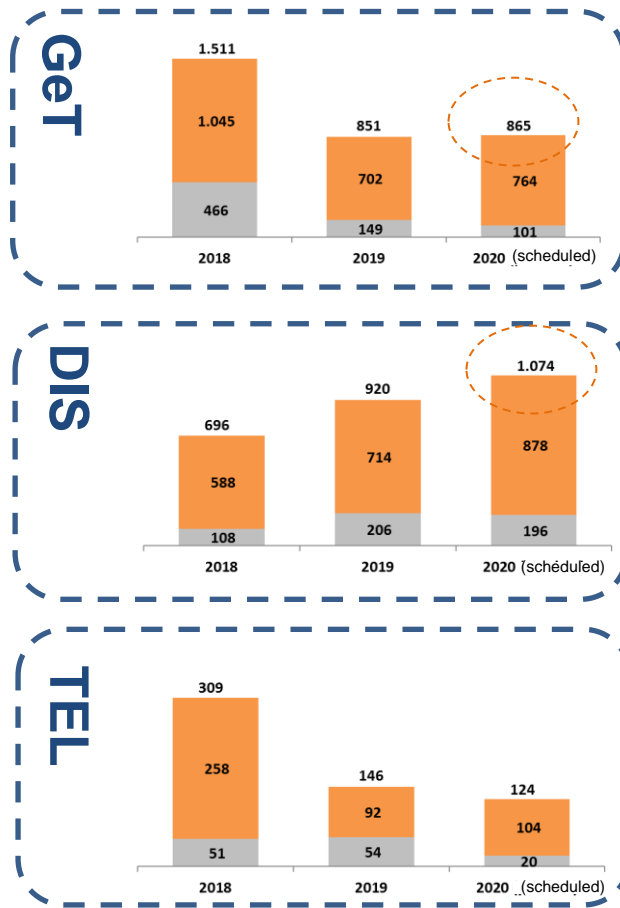
CAPEX reduction in GeT and increase in DIS...



R\$ million

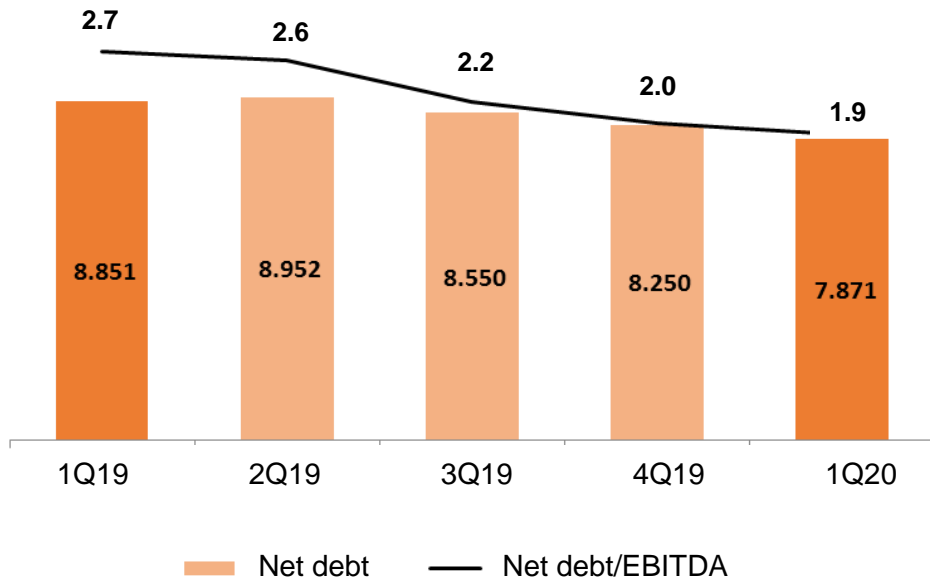


R\$ million



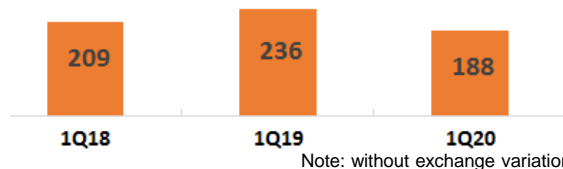
# Debt Profile

## Leverage Reduction and of the Cost of Debt...

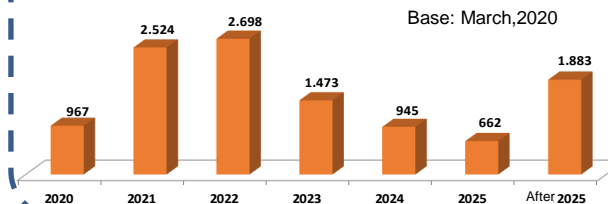


R\$ million

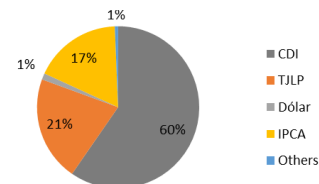
### Debt Charges - Nominal



### Schedule - Average term 3.5 years



### Main indicators





# Investor Relations

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