



# 1Q18 Results

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*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.*

- ✓ 1Q18 result in line with expectations;
- ✓ EBITDA adjusted by extraordinary events totalized R\$863 million, a increase by 0.3%;
- ✓ Operating cash generation of R\$943 million, a growth of 37% compared to 1Q17;
- ✓ R\$633 million in CAPEX in 1Q18, of which R\$373 million are related to the works in phase of conclusion;
- ✓ Issuance of R\$1.2 billion in debt 1Q18, according to the plan;
- ✓ 585 employees joined the Encouraged Retirement Program, with a potential cut costs of R\$162 million/year from 2019;
- ✓ Restatement of Financial Statement for the fiscal year 2017, 2016 and 2015 without a qualification opinion of our independent auditors;
- ✓ Postponement of the ASM from May 15, 2018 to June 15, 2018;
- ✓ New Board Members
  - Vicente Loiacono Neto - Chief Governance, Risk and Compliance Officer;
  - Ana Leticia Feller – Chief Business Management Officer;

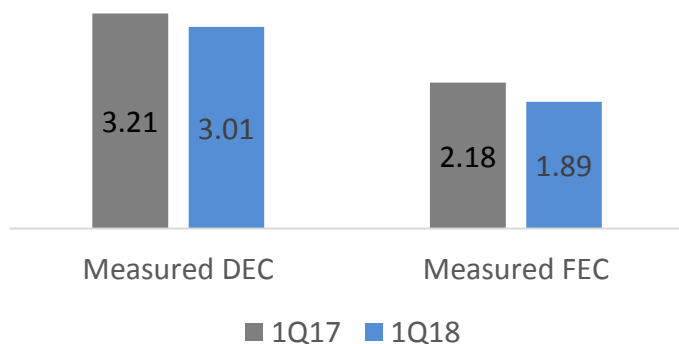
## Market Growth – Copel Distribuição

1Q18 vs. 1Q17

Brazil	South	Copel Market Grid
+0.4%	(0.3)%	+0.4%

Source: EPE – Monthly Market Review

## Quality of Supply – Copel Distribuição



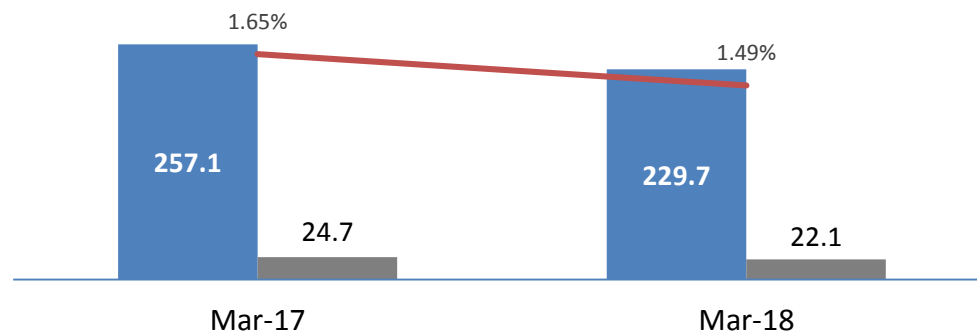
<sup>1</sup> Capital budget originally approved by the Board of Directors. These values do not consider

<sup>2</sup> Regarding the participation of Copel in Enterprises.

<sup>3</sup> Includes Paraná Gás, Voltalia São Miguel do Gostoso I Participações among other.

## Default and PECLD Rates – Copel Distribuição

R\$ million



■ Overdue Debts (15 to 360 days) - R\$ million

■ Delinquency Rate (PECLD)

— Default Rate

## CAPEX

Business	Carried 1Q18	Schedule 2018 <sup>1</sup>
<b>Generation</b>	<b>374.8</b>	<b>1,168.3</b>
HPP Colíder	37.6	98.7
HPP Baixo Iguaçu <sup>1</sup>	15.4	71.7
Cutia Empreendimentos Eólicos	300.0	888.5
Other	21.8	109.4
<b>Transmission</b>	<b>55.5</b>	<b>463.9</b>
TL Araraquara / Taubaté	19.9	40.4
TL Curitiba Leste / Blumenau	21.1	281.8
Cantareira Transmissora <sup>2</sup>	-	14.8
Other	14.5	126.9
<b>Distribution</b>	<b>107.5</b>	<b>790.0</b>
<b>Telecommunication</b>	<b>51.4</b>	<b>340.2</b>
<b>Other<sup>3</sup></b>	<b>44</b>	<b>166.3</b>
<b>TOTAL</b>	<b>633.4</b>	<b>2,928.6</b>

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

R\$ million

Adjusted EBITDA	1Q18	1Q17	Var.%
<b>EBITDA</b>	<b>768</b>	<b>1,006</b>	<b>(23.7)</b>
(-)/+ Remeasurement of financial assets RBSE	-	(183)	-
(-)/+ Impairment	5	30	(83.3)
+ Provision for PDI	91	7	1,166.7
(-)/+ Provisions for litigation	24	-	-
(-)/+ Tax Credit - Pasesp	(25)	-	-
<b>Adjusted EBITDA</b>	<b>863</b>	<b>860</b>	<b>0.3</b>

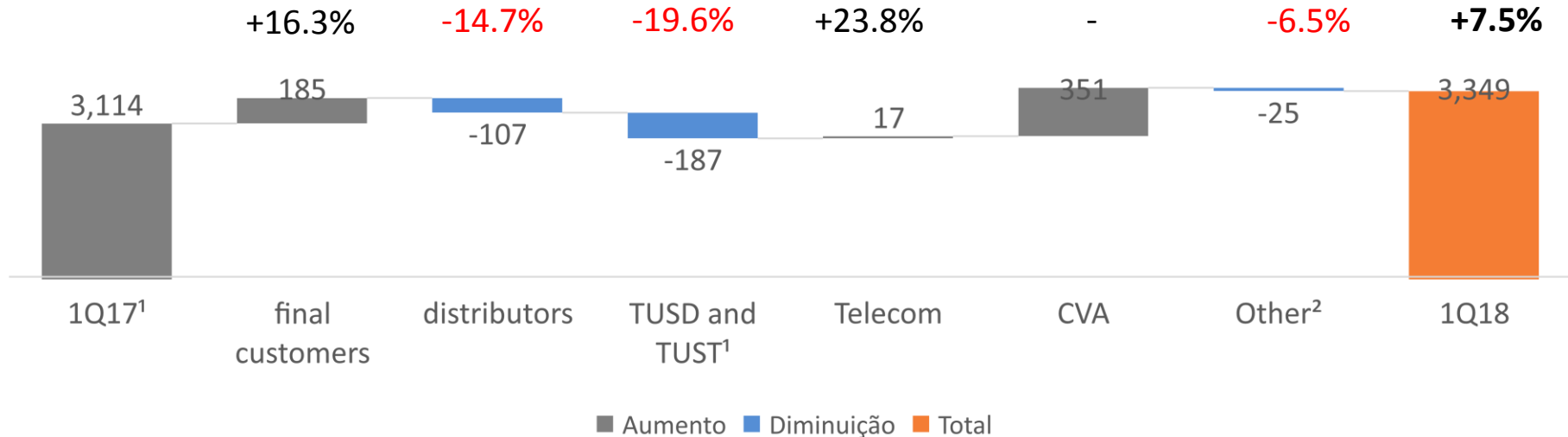
## Adjusted EBITDA by Subsidiary<sup>1</sup>

Subsidiary	1Q18	1Q17	Var.%
Copel GeT	528	562	(6.1)
Copel Dis	200	197	1.4
Copel Telecom	37	33	10.1
Other/Elimination	99	68	45.8
<b>Consolidated</b>	<b>863</b>	<b>860</b>	<b>0.3</b>
<b>Ebitda Margin</b>	<b>26%</b>	<b>26%</b>	<b>(1.2)</b>

<sup>1</sup> Consolidated EBITDA adjusted for the non-recurring events identified in Copel Distribuição and Copel GeT, according to previous slides, and by the provision for PDI of Holding, and Copel Telecom and by the tax credit - Pasesp Holding.

## 7,5% increase Recurring Operating Revenue in the Quarter

R\$ million



- ✓ Adjustment of electric power tariff (TE) by 10%;
- ✓ Revenue of R\$ 89,3 million by Copel Com;
- ✓ GeT Energy Allocation Strategy;
- ✓ Increase in the CDE Use quota;
- ✓ Expansion of Telecom's customer base;
- ✓ CCEE's rebalancing of the New Energy MCSD (from June, 2017 to October, 2017);

\* Amounts subject to rounding.

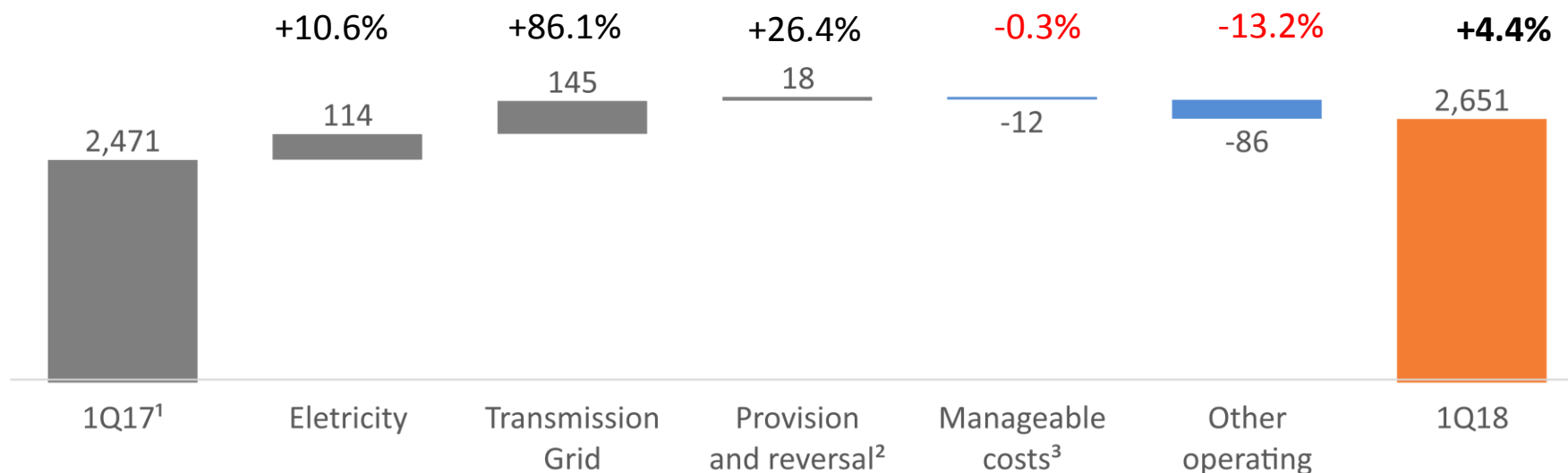
<sup>1</sup> Adjusted for the positive effect of R\$ 183.0 million related to RBSE remeasurement in 1Q17.

<sup>2</sup> It considers the construction revenue, the fair value of the concession's assets, the distribution of piped gas, and other operating revenues.

# Operating Costs and Expenses

R\$ million

## Increase by 4.4% in the Recurring Operating Costs and Expenses



- ✓ Purchase of 681 GWh by Copel Com in 1Q18 (compared to 150 GWh in 1Q17);
- ✓ Adjustment of TUST and Itaipu's energy transmission tariff;

- ✓ R\$83,5 million in labor provision;
- ✓ 585 employees joined PDI in 1Q18;

\* Amounts subject to rounding.

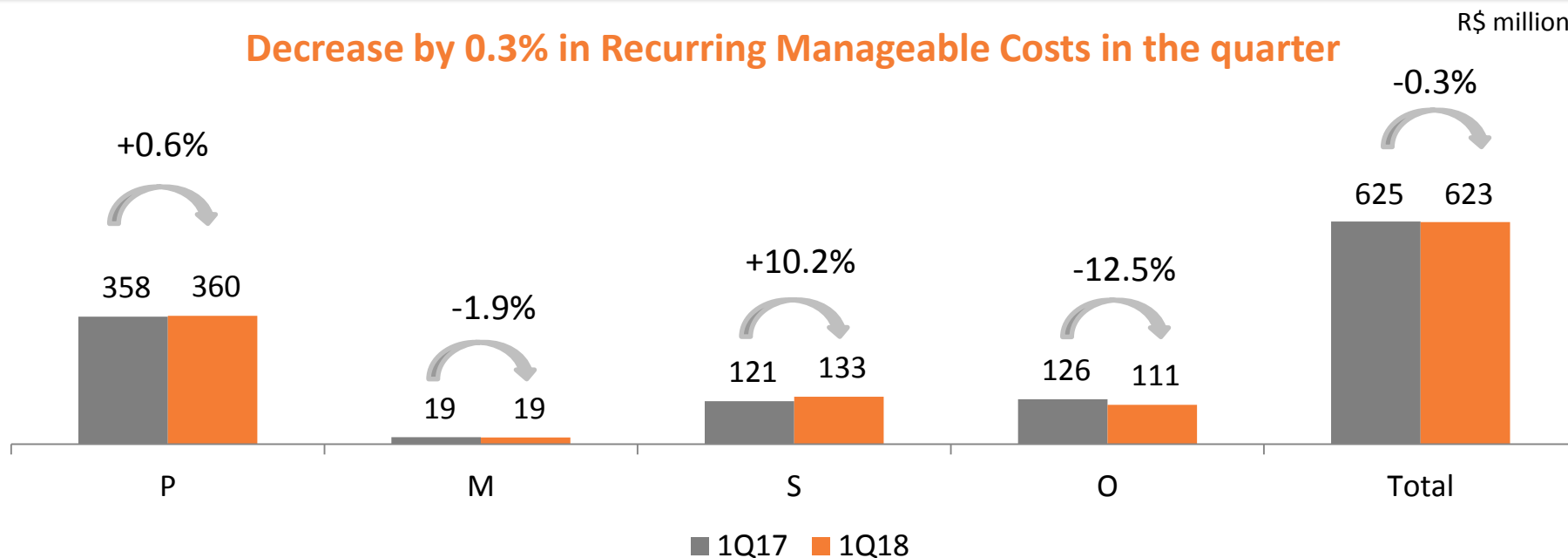
<sup>1</sup> Recurring cost adjusted by the negative impact of R\$30.0 million referring to the provision for impairment and R\$7.2 million related to the PDI.

<sup>2</sup> Adjusted in 1Q18 due to the negative impact of R\$5.0 million referring to the provision for impairment and R\$24.2 million arising from a collective labor lawsuit, in addition to R\$30.0 million referring to the provision for impairment in 1Q17 .

<sup>3</sup> Adjusted for the negative impact of R\$91.2 million provisioned for the PDI.

<sup>4</sup> It considers the cost of raw materials and inputs for the production of energy, natural gas and inputs for gas operation, depreciation and amortization, construction costs, costs with the use of water resources and inspection fees.

## Decrease by 0.3% in Recurring Manageable Costs in the quarter



- ✓ Salary Adjustment of 1.6% in October/17;
- ✓ Reduction of 336 employees in the last 12 month;
- ✓ Policy of not filling job vacancies;
- ✓ Increase in costs with third-party services related to consulting and auditing, communication, data processing and transmission, and maintenance of the electrical system;
- ✓ R\$25,1 million of the tax credit related to Pasep;
- ✓ Inflation of the last 12 months of 2.68%;
- ✓ Real reduction of 2.9% with manageable costs;

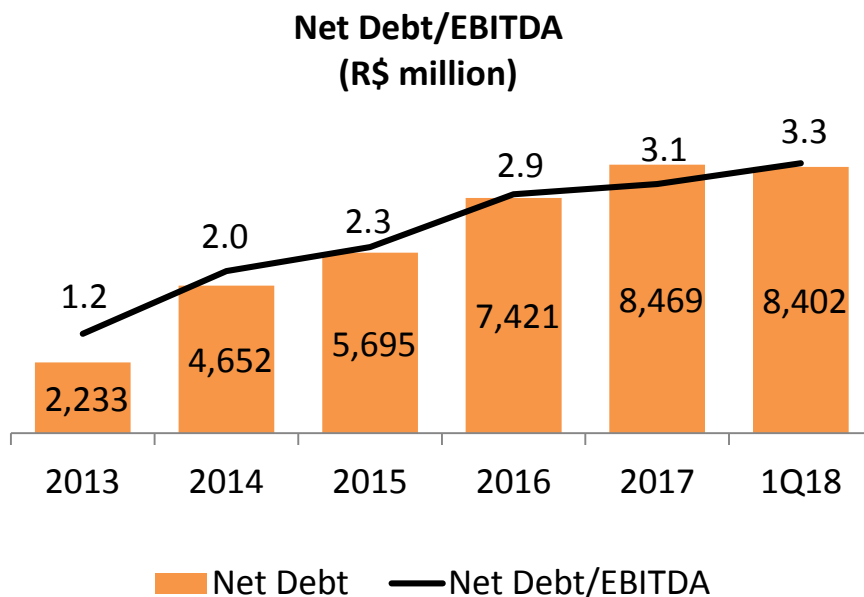
\* Valores sujeitos a arredondamentos.

<sup>1</sup> Considera pessoal e administradores e plano previdenciário e assistencial. Valor ajustado pela provisão para indenizações referentes ao PDI, com efeito negativo de R\$ 91,2 milhões no 1T8 e R\$ 7,2 milhões no 1T17



## Net Debt/EBITDA

R\$ million



## Debt Composition by Index

Index	Amount (R\$ milhões)	Part. %
CDI	7,648	73.6
TJLP	1,770	17.0
IPCA	561	5.4
Dollar	91	0.9
Other	324	3.1
Total	10,394	-

D/E (%)  
65.6%

Duration (years)  
4,0

Average Cost (weighted)  
8.2%

- ✓ EBITDA 12 months does not consider Equity in the Earnings of Subsidiaries;
- ✓ Decrease of R\$67 million in net debt (Mar.17 vs. Dec.17);
- ✓ Reduction of R\$238 million in EBITDA 12 months;
- ✓ Provision for PDI of R\$137 million in the last 12 months;

## Breakdown Net Income

R\$ million

Subsidiary	1Q18	1Q17	Var.%
Copel GeT	221	343	(36)
Copel Dis	42	71	(41)
Copel Telecom	7	12	(41)
Other/Elimination	70	(8)	-
<b>Consolidated</b>	<b>340</b>	<b>417</b>	<b>(19)</b>
<b>Net Margin</b>	<b>10%</b>	<b>13%</b>	<b>(20)</b>

## Net Margin by Subsidiary (%) – 1Q18

## Proposed Distribution of Dividends<sup>1</sup>

GeT	Distribuição	Telecom
25.3	1.9	6.5

IOC R\$ 266 million	Dividends R\$ 23.4 million	Total R\$ 289.4 million
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<sup>1</sup> to be deliberated in AGM scheduled to June 15, 2018.



## ***Investor Relations***

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