



# 2Q18 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.*

## Focus in Governance

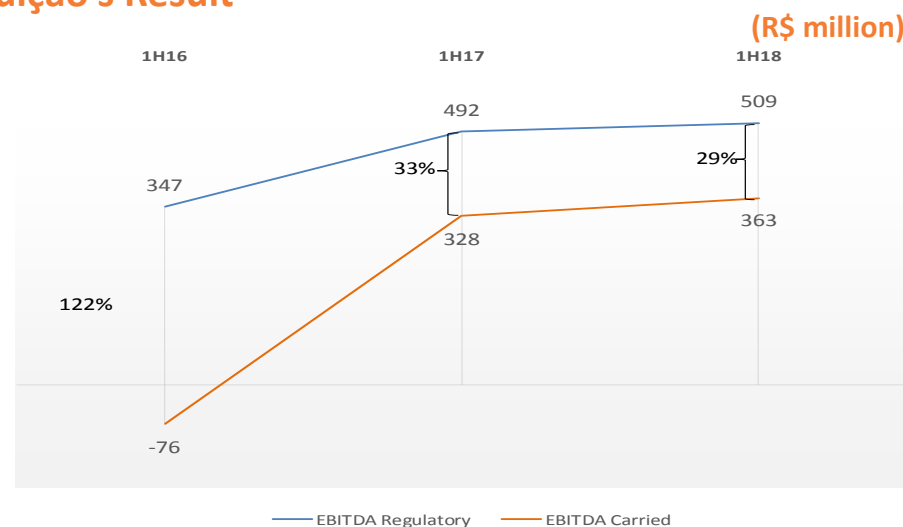
- ✓ Amendment of the Bylaws of Copel
- ✓ Review of the Code of Conduct
- ✓ Review of Integrity Policy
- ✓ Financial Controller for Equity Interests

## Consolidated Result

- ✓ EBITDA of R\$ 833 million
- ✓ Net Income of R\$353 million
- ✓ Reduction of 7% with personnel costs

## Copel Distribuição's Result

- ✓ Growth of 0.1% in adjusted EBITDA
- ✓ Full application of tariff readjustment
- ✓ Reduction of the gap to the regulatory EBITDA

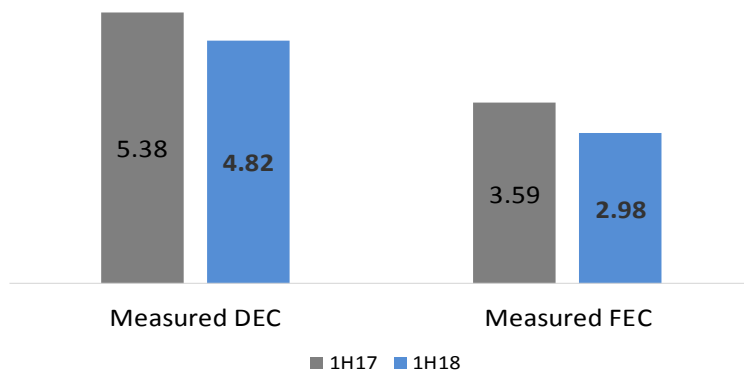


## Market Growth – Copel Distribuição

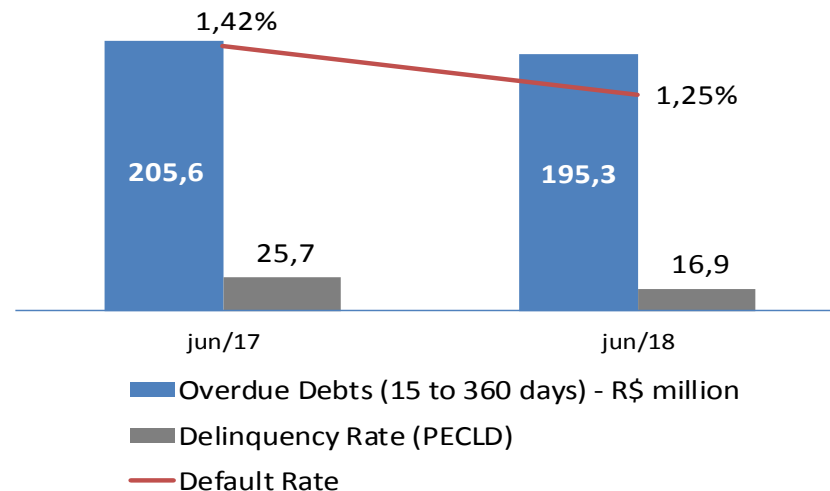
	Brasil	Sul	Copel Grid Market
1H18	1,3%	1,9%	2,0%
2Q18	2,2%	4,2%	3,7%

Source: EPE – Monthly Market Review

## Quality of Supply – Copel Distribuição



## Default and PECLD Rates – Copel Distribuição



## Abradee Awards 2018

- ✓ Best Distributor in Southern Brazil
- ✓ Best in Brazil in Quality Management

### Pilot project

- ✓ Mobile billing to avoid customer cuts

Consolidated Cash Flow	1H18	2Q18
Net income for the period	692	353
Adjustments to reconcile net income	663	253
Decrease (increase) in assets	736	151
Increase (reduction) of liabilities	(52)	339
Cash generated by operating activities	2,039	1,095

## CAPEX

Subsidiary / SPC	Carried 1H18	Carried 2Q18	Scheduled 2018 <sup>1</sup>
<b>Copel Geração e Transmissão</b>	<b>370.0</b>	<b>204.4</b>	<b>743.6</b>
UHE Colíder	88.3	50.7	98.7
UHE Baixo Iguaçu	31.0	15.6	71.7
LT Curitiba Leste-Blumenau	88.0	66.9	281.8
LT Araraquara-Taubaté	55.8	35.9	40.4
SE Bateias	-	-	17.5
SPE Cantareira Transmissora <sup>2</sup>	35.3	-	14.8
Outros	71.6	35.3	218.7
<b>Copel Brisa Potiguar</b>	<b>0.6</b>	<b>0.6</b>	<b>156.3</b>
<b>Cutia Empreendimentos Eólicos</b>	<b>483.0</b>	<b>183.0</b>	<b>888.5</b>
São Bento Energia	8.6	0.6	6.6
<b>Copel Distribuição</b>	<b>244.8</b>	<b>137.3</b>	<b>790.0</b>
<b>Copel Telecomunicações</b>	<b>129.0</b>	<b>77.6</b>	<b>290.2</b>
<b>Copel Comercialização</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>
<b>Holding</b>	<b>0.0</b>	<b>0.0</b>	<b>2.4</b>
<b>Other Investment<sup>3</sup></b>	<b>36.2</b>	<b>0.0</b>	<b>0.8</b>
<b>Total</b>	<b>1,272.2</b>	<b>603.5</b>	<b>2,928.6</b>

- ✓ R\$ 2,039 million of generation of operational cash flow in 1H18
- ✓ R\$ 1,095 million of generation of operational cash flow in 2Q18
- ✓ Start-up of TL Araraquara-Taubaté
  - ✓ APR of R\$ 29.8 million
- ✓ Expectation of start-up of new power plants
  - ✓ Growth of 13% in installed capacity

<sup>1</sup> Capital budget originally approved by the Board of Directors and reviewed at the 175th Extraordinary Meeting of the Board of Directors, with a reduction of R\$50.0.

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

<sup>3</sup> Includes SPC Voltalia São Miguel do Gostoso, SPC Paraná Gás and SPC Dois Saltos.

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

R\$ million

EBITDA Ajusted	2Q18 (1)	2Q17 (2)	Var.% (1/2)	1H18 (3)	1H17 (4)	Var.% (3/4)
<b>EBITDA</b>	<b>833</b>	<b>707</b>	<b>17.8</b>	<b>1,601</b>	<b>1,713</b>	<b>(6.6)</b>
(-)/+ Remeasurement of financial assets RBSE	-	-	-	-	(183)	-
(-)/+ Impairment	(18)	31	-	(13)	61	-
+ Provision for PDI	(0)	12	-	91	19	374.0
(-)/+ Provisions for litigation <sup>(a)</sup>	45	-	-	69	-	-
(-)/+ Tax Credit - Pasep	-	-	-	(25)	-	-
(-) Reimbursement to suppliers - Brisa	(72)	-	-	(72)	-	-
<b>Adjusted EBITDA</b>	<b>751</b>	<b>750</b>	<b>0.1</b>	<b>1,614</b>	<b>1,611</b>	<b>0.2</b>

<sup>(a)</sup> Litigation concerning two labor lawsuits: R\$ 45.1 million in 2Q18 and R\$ 24.2 million in 1Q18.

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

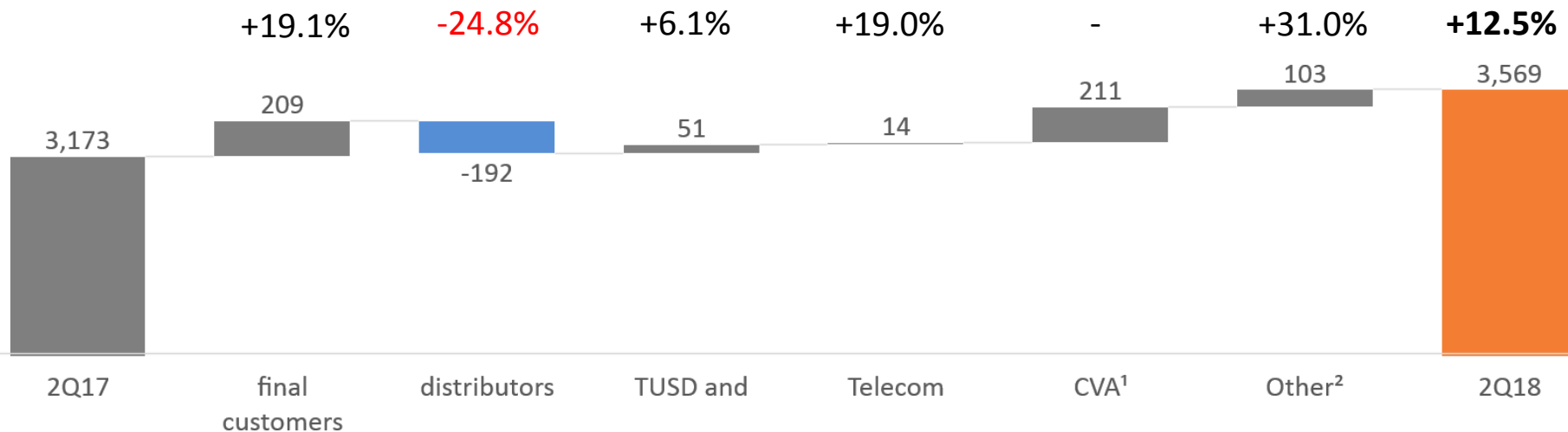
Subsidiary	2Q18	2Q17	Var.%	1H18	1H17	Var.%
Copel GeT	419	452	(7.4)	947	1,014	(6.7)
Copel Dis	239	140	70.0	439	338	29.9
Copel Telecom	44	38	16.4	81	71	13.4
Other/Elimination	49	120	(58.8)	148	187	(20.9)
<b>Consolidated</b>	<b>751</b>	<b>750</b>	<b>0.1</b>	<b>1,614</b>	<b>1,611</b>	<b>0.2</b>
<b>Ebitda Margin</b>	<b>20.8%</b>	<b>23.6%</b>	<b>(11.9)</b>	<b>23.2%</b>	<b>24.9%</b>	<b>(6.7)</b>

<sup>1</sup> Consolidated EBITDA adjusted for the non-recurring events

# Operating Income

## 12.5% increase Recurring Operating Revenue in the Quarter

R\$ million



- ✓ Adjustment of electric power tariff (TE) by 10%;
- ✓ Growth of 3.3% in the captive Market of Copel Dis;
- ✓ Sale of 464 GWh by Copel Com to free costumers
- ✓ Expansion of Telecom's customers base;
- ✓ Copels GeT's strategy of energy allocation
- ✓ GSF of 80.6% in 2Q18 versus 84.1% in 2Q17;
- ✓ Growth of 3.7% in grid market

\* Amounts subject to rounding.

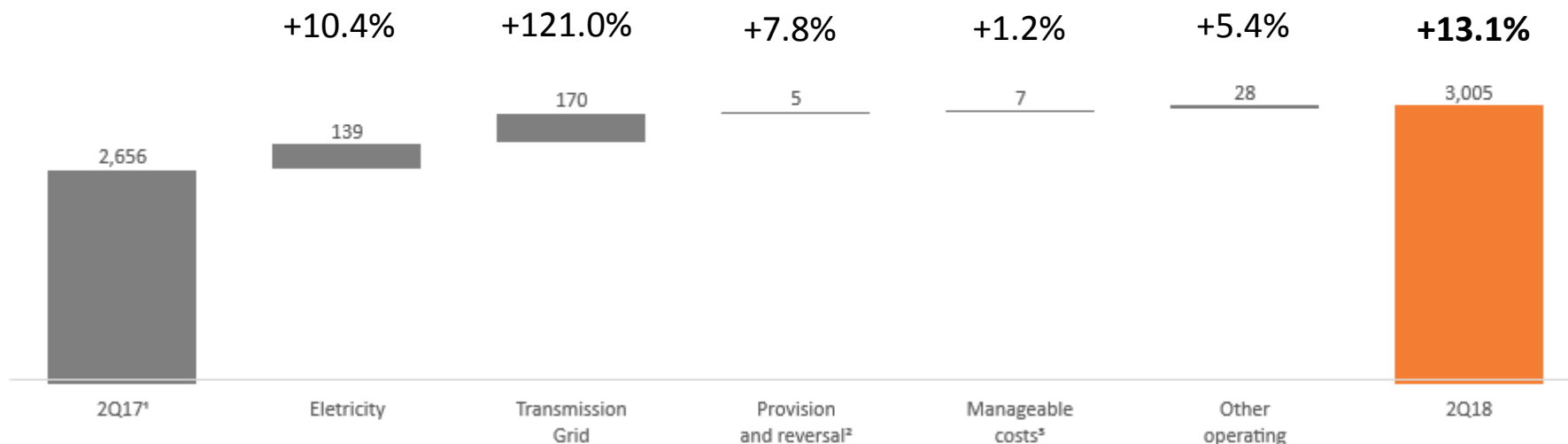
<sup>1</sup> Adjusted for the positive effect of R\$ 36.7 million related to IRT 2Q18.

<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 13.1% in the Recurring Operating Costs and Expenses



- ✓ Purchase of 782 GWh by Copel Com in 2Q18 (compared to 210 GWh in 2Q17);
- ✓ Adjustment of TUST and Itaipu's energy transmission tariff;
- ✓ R\$67.2 million in labor provision;

\* Amounts subject to rounding.

<sup>1</sup> Recurring cost adjusted by the negative impact of R\$31.0 million referring to the provision for impairment and R\$12.0 million related to the PDI.

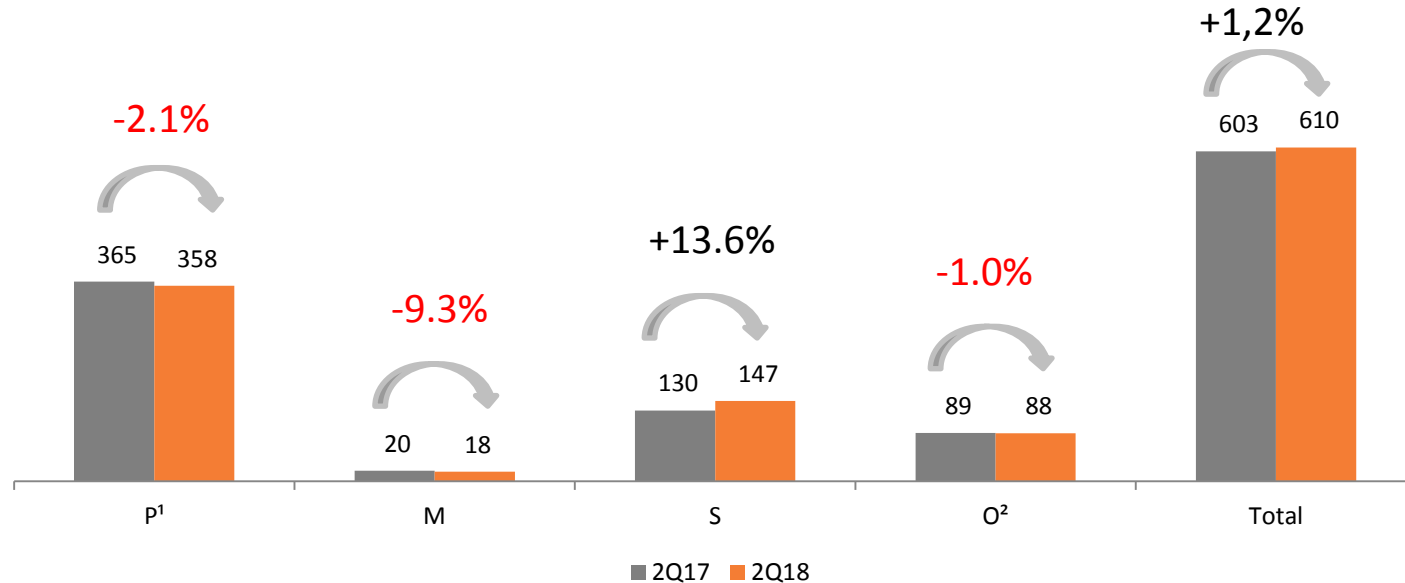
<sup>2</sup> Adjusted in 2Q18 due to the positive impact of R\$18.0 million referring to the reversion for impairment and R\$45.1 million arising from a collective labor lawsuit, in addition to R\$31.2 million referring to the provision for impairment in 2Q17.

<sup>3</sup> Adjusted for the positive impact of R\$0.2 million provisioned for the PDI, for R\$72.1 million from suppliers of assets in the wind farms of the Brisa Potiguar Complex, R\$22.3 million related to losses and R\$15.4 million related to Sanepar, in addition to R\$12.0 million provisioned for or PDI in 2Q17.

<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.



## Increase by 1.2% in Recurring Manageable Costs in the quarter



- ✓ Salary Adjustment of 1.6% in October/17;
- ✓ Reduction of 349 employees in the last 12 month;
- ✓ Policy of not filling job vacancies;
- ✓ Inflation of the last 12 months of 4.39%;
- ✓ Real reduction of 3.0% with manageable costs;
- ✓ Increase in costs with third-party services related to communication, data processing and transmission, and maintenance of the electrical system;

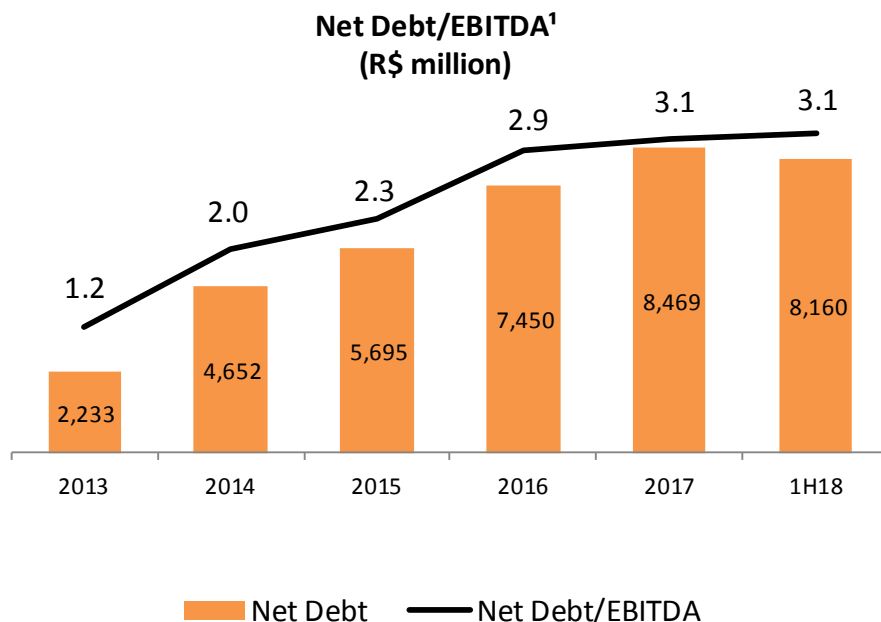
\* Values subject to rounding.

<sup>1</sup> Considers staff and administrators and social security and welfare plan. Amount adjusted by the provision for indemnities related to the PDI, with positive effect of R\$0.2 million in 2Q8 and negative of R\$12.0 million in 2Q17

<sup>2</sup> Adjusted in 2Q18 for R\$ 72.1 million from suppliers of assets in the wind farms of the Brisa Potiguar Complex and R\$22.3 million in losses. In 2Q17, adjusted for R\$15.4 million referring to Sanepar.

## 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
<b>Total</b>	<b>10,394</b>	<b>-</b>

D/E  
(%)  
62.9%

Duration  
(years)  
3.9

Average Cost  
(weighted)  
8.4%

- ✓ EBITDA 12 months does not consider equity accounting result;
- ✓ Reduction of R\$309 million in net debt (Jun.18 vs. Dec.17);
- ✓ Capturing R\$2.2 billion in 2018 so far;
- ✓ Maintenance of Rating "AA-", with a stable Outlook, by Fitch.

## Breakdown Net Income

R\$ million

Subsidiary	2Q18	2Q17	Var.%	1H18	1H17	Var.%
Copel GeT	236	147	61	457	490	(7)
Copel Dis	83	8	942	125	79	57
Copel Telecom	16	16	1	23	27	(17)
Other/Elimination	18	(20)	-	88	(27)	(414)
<b>Consolidated</b>	<b>353</b>	<b>151</b>	<b>134</b>	<b>692</b>	<b>568</b>	<b>22</b>
<b>Net Margin</b>	<b>10%</b>	<b>5%</b>	<b>106</b>	<b>10%</b>	<b>9%</b>	<b>13</b>

## Net Margin by Subsidiary (%) – 2Q18

GeT	Distribuição	Telecom
27.4	3.3	14.7



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