








COPEL







Pura Energia

Paraná Day

February 5, 2019



-  Copel and its Business
-  Strategic Guidelines
-  Financial Performance & Key Indicators
-  Positive scenario for 2019
-  Q&A

-  Largest company in the State of Paraná and one of the largest in Brazil, with a market value of approximately R\$ 10 billion
-  The State of Paraná is the majority shareholder, with 58.6% of the common shares and 31% of the total shares, BNDESPar holds 26.4% of the common shares and 24% of the total shares, other shares in B3, NYSE, Latibex
-  First company in the Brazilian electric sector to be listed on NYSE (22 years). Also in B3 (25 years) and Latibex (17 years)
-  4th largest company in the industry by revenue in 2017, operating in ten Brazilian states (geographic diversification)
-  Integrated Company - Generation, Transmission, Distribution, Energy Trading and Telecommunication
-  Diversified energy matrix* (82% HPP, 11% WPP, 6% TPP and 1% SHP)

* Considers the projects in the final stages of construction

Generation



5,675 MW of installed capacity in operation

- 30 Power Plants¹ and 11 Corporate partnerships;
- 23 HPPs, 16 WPPs and 2 TPPs;

37% of Ebitda LTM⁴

Transmission



4,647 km of lines² and 45 Substation³ in operation

- Concession renewed until 2042 (Contract 060/2001);
- Won Lot J Eletrobras Auction 01/2018 (120 km of lines)

14% of Ebitda LTM⁴

Distribution



More than 4.6 million customers

- 4th largest in number of costumers;
- 4th largest in electricity consumption (MWh)

25% of Ebitda LTM⁴


Telecom





33,495 km of optic fiber


- 401 cities with optic fiber;
- 178 thousand customers

5% of Ebitda LTM⁴

-  **Improved Operational Efficiency and Cost Reduction**
 - Financial discipline and more efficient allocation of capital
 - Review of Processes, Structures, Synergies, etc
 - Leverage Reduction

-  **Focus on the Core Business (Generation, Transmission, Distribution and Energy Trading)**
 - Divestment (non-core)

-  **Investments in Paraná (preferably)**
 - Not exclusively

-  **Completion of the Investment Cycle**
 - HPP Baixo Iguaçu (March/19)
 - Cutia Wind Farm (April/19)
 - HPP Colíder (May/19)



Continuous improvement of Governance

Certification in B3's State-Owned Company Governance Program (December/18), being the first SOE of a Brazilian State to be certified, obtaining the highest score among all certified companies



Competency and Meritocracy

For the 2nd consecutive year elected among the 150 best companies to work (maganize Você SA)



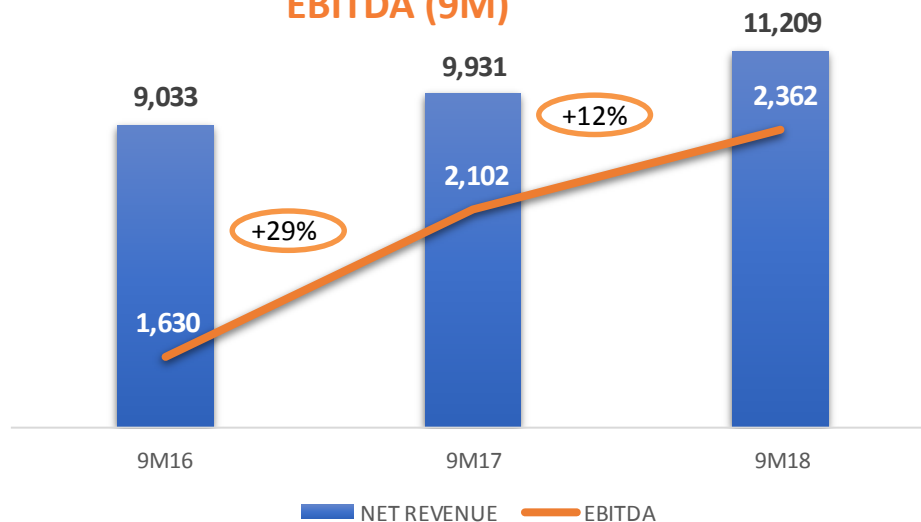
Innovation & New Business

Distributed generation, Smart Grid, Public Lighting, Services, Biomass

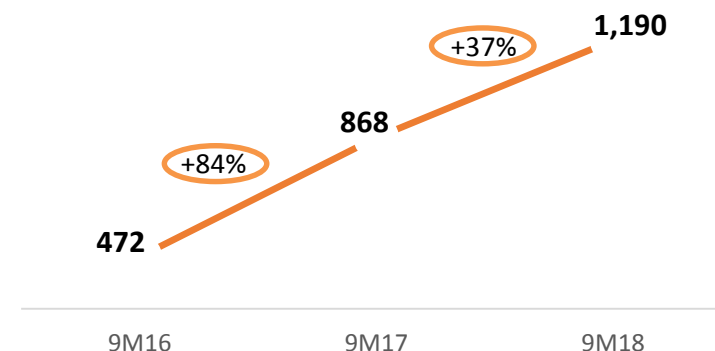
Action Plan - Focus on Cash Generation

R\$ million

Net Revenue and Adjusted EBITDA (9M)



Generation of Operational Cash after investments (9M)

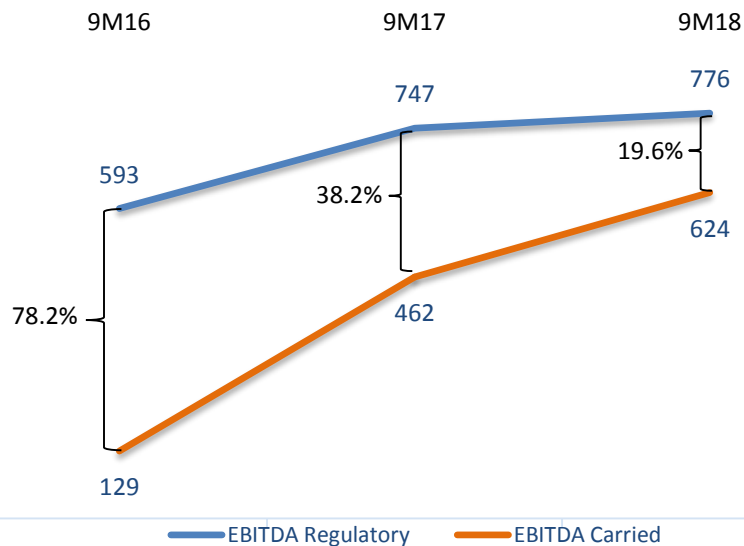


- ✓ Prioritization of the annual investment plan (OAI) focusing on completion of ongoing projects
- ✓ Cost reduction program, Including PDI and review of contracts
- ✓ Sale of assets (ex: Sanepar) and obsolete stocks
- ✓ Scrolling of short-term debt and overdue credit collection
- ✓ Review of several processes improving internal synergies among subsidiaries

Adjusted EBITDA by Subsidiary¹

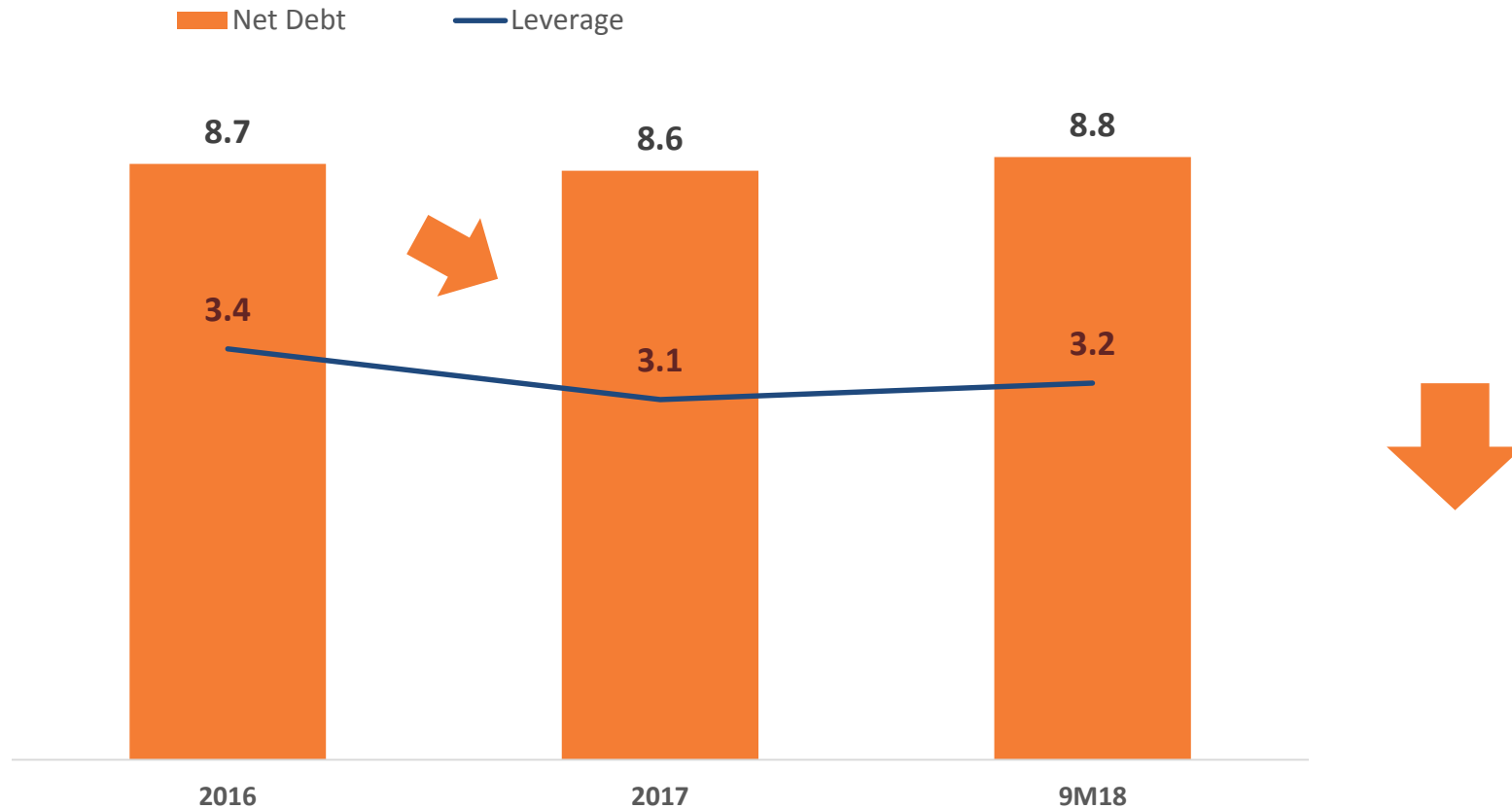
Subsidiary	3Q18	3Q17	Var.%	9M18	9M17	Var.%
Copel GeT	331.2	241.6	37.1	1,275.8	1,255.9	1.6
Copel Dis	263.5	141.3	86.4	702.4	479.2	46.6
Copel Telecom	43.9	42.4	3.6	124.6	113.6	9.7
Other/Elimination	110.6	66.3	66.8	258.8	253.4	2.1
Consolidated	749.2	491.6	52.4	2,362	2,102	12.3
EBITDA Margin	17.4%	13.5%	28.9	21.0%	20.8%	-

EBITDA Carried x Regulatory















- ✓ Program of efficiency improvement in DIS (Travessia), including reduction of personnel, default, review of processes, investments in technology, among others
- ✓ GET result in 2018 affected by unfavorable hydrological impact (~R\$300 million)

LEVERAGE INDEX (NET DEBT / EBITDA)



- ✓ Additional revenue in 2019 estimated at R\$ 400-450 million (completion of projects)
- ✓ Reduction of the investment plan (~R\$700m from 2018 to 2019)
- ✓ Reduction of net debt due to the expectation of higher cash generation in 2019

-  Evolution of discussions on regulatory issues (GSF, free market, etc)
-  Low probability of hydrological risk being greater than 2018 (no relevant impacts of GSF/PLD)
-  Additional operating cash generation and reduction of leverage
-  Divestment opportunities (non-core)
-  Renewal of the HPP GBM concession – Foz de Areia in 2023
-  Investments in Innovation & New Business
 - Distributed generation, Smart Grid, Public Lighting, Services, Biomass, etc

-  Lower hydrological risk (better GSF and lower PLD estimated for 2019)
-  Growth of the grid market due to economic growth
-  Evolution of discussions on regulatory issues
-  Additional generation with new projects ~700 MW and 120 km of transmission lines
-  Reduced personnel costs (122 dismissal until Sep.18)
-  Improved operational efficiency (review of processes and controls)



Q & A



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