

**COMPANHIA PARANAENSE
DE ENERGIA**

Paraná Day





July 2019

DISCLAIMER

Any statements made during this event 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..



AGENDA

-  Copel and its Business
-  Strategic Guidelines
-  Financial Performance
-  Perspective for the future

OVERVIEW

Integrated Company

Generation, Transmission, Distribution,
Energy Trading and Telecommunication

Operates in ten Brazilian States

(PR, RS, SC, SP, MG, GO, MT, BA, MA and RN)



**24 years of listing
on the B3**

Present in the 14th
B3 Corporate
Sustainability Index -
ISE 2019 Portfolio

**21 years of listing
on the NYSE**

The first of the
Brazilian electric
sector

**16 years listed on
Latibex**

(European Union)

**64 years in the
industry**

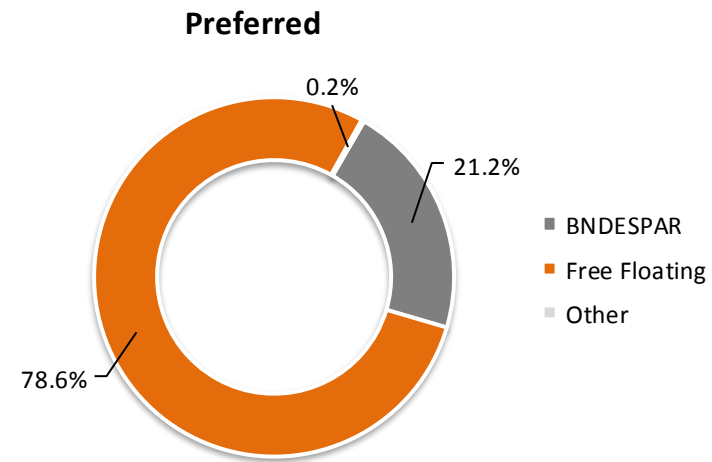
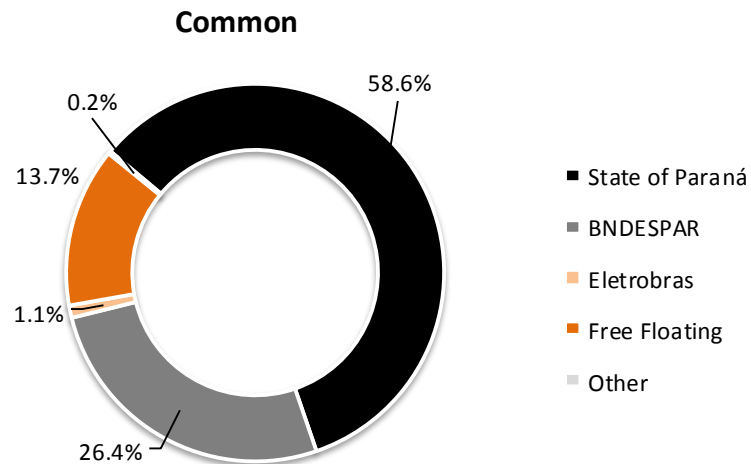
Head office in
Curitiba/PR

Market Value

US\$3.4 billion
R\$13.1 billion
(On 06.28.2019 - B3 S.A.)

CAPITAL STRUCTURE

Shareholders	Thousand shares							
	Common	%	Preferred "A"	%	Preferred "B"	%	TOTAL	%
State of Paraná	85,029	58.6	-	-	-	-	85,029	31.0
BNDESPAR	38,299	26.4	-	-	27,282	21.3	65,581	24.0
Eletrobras	1,531	1.1	-	-	-	-	1,531	0.6
Free Floating	19,836	13.7	77	23.4	100,965	78.7	120,878	44.2
B3	19,428	13.4	77	23.4	68,880	53.7	88,385	32.3
NYSE	408	0.3	-	-	31,881	24.8	32,289	11.8
LATIBEX	-	-	-	-	204	0.2	204	0.1
Other	336	0.2	252	76.6	49	-	636	0.2
TOTAL	145,031	100.0	329	100.0	128,296	100.0	273,655	100.0



As of 03.31.2019

INTEGRATED COMPANY

Generation



6,177¹ MW of installed capacity in operation

- 44 Power Plants² ad 11 Corporate partnerships
- 24 HPPs, 29 WPPs, 2 TPPs
- Addition of 117 MW by the end of 2019

42% of Ebitda LTM⁵
R\$1,462.1 million

Transmission



4,767 km of lines³ and 45 Substation⁴ in operation

- Addition of 632 km of transmission lines until 2021
- Won Lot J Eletrobras Auction 01/2018 (120 km of lines)

15% of Ebitda LTM⁵
R\$522.8 million

Distribution



More than 4.6 million customers

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

29% of Ebitda LTM⁵
R\$998.0 million

Commercialization



1,914 GWh of energy sold in 1Q19

- R\$1.3 billion of operating revenue in 2018
- 289 free customers
- 167 bilateral agreements

Telecom



35 thousand km of optic fiber

- 401 cities with optic fiber
- 85 cities with broadband for retail
- 200 thousand customers

3% of Ebitda LTM⁵
R\$119.6 million

Notes: ¹ Consider the partial commercial start-ups of the Cutia and Bento Miguel Wind Complexes (95%) and HPP Colider (67%), and 30% of our stake in HPP Baixo Iguacu; ² Considers the HPP GPS; ³ Adjusted by Copel's stake; ⁴ Participation in 9 Substations; ⁵ Other business 10% of Ebitda LTM.

STRATEGIC GUIDELINES

Improved Operational Efficiency and Cost Reduction

- ✓ Financial discipline and efficient capital allocation (new projects)
- ✓ Review of Processes, Structures, Synergies
- ✓ Efficiency & Operational improvement and cost reduction
- ✓ Leverage Reduction

Divestment of non-core assets - Telecom and Compagas

- ✓ Focus on the Core Business


Completion of the Investment Cycle


- ✓ HPP Colíder - two generating units in commercial operation
- ✓ HPP Baixo Iguaçu - 100% in commercial operation
- ✓ Cutia Wind Farm - 95% in commercial operation
- ✓ Completion of investments in progress (SPP Bela Vista, TL-Lot E, etc)


Achieve the Regulatory EBITDA and increase the RAB* at COPEL – DIS


- ✓ Efficient execution of an “aggressive plan” for operational improvement and cost reduction

STRATEGIC GUIDELINES

-  **Continuous improvement of Governance**
 - ✓ New composition of the Board of Directors, Statutory Audit Committee, Supervisory Board and Nomination and Evaluation Committee
 - ✓ Certification in B3's State-Owned Company Governance Program, being the first SOE of a Brazilian State to be certified

-  **Renewal of the HPP GBM concession – Foz do Areia in 2023**
 - ✓ 1,676 MW of Installed capacity

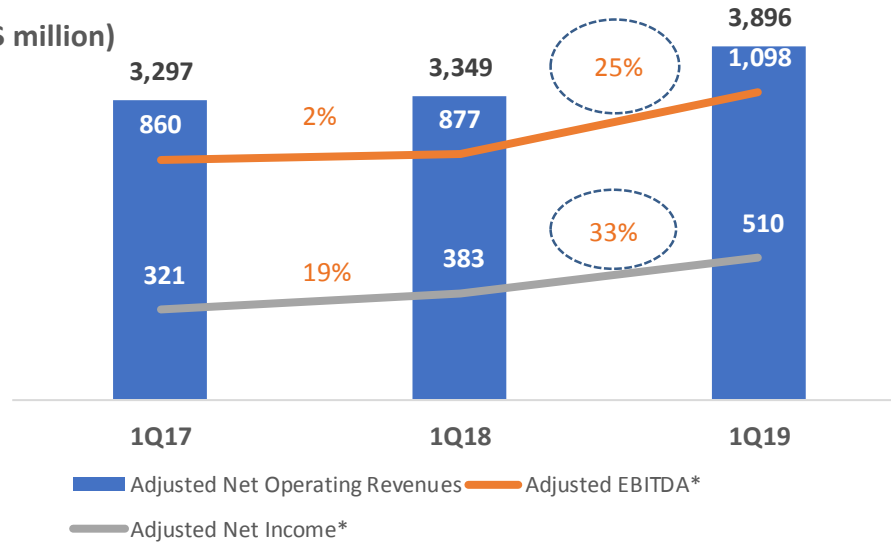
-  **Competency and Meritocracy**
 - ✓ For the 2nd consecutive year elected among the 150 best companies to work (Você SA Maganize)

-  **Innovation & New Business**
 - ✓ Distributed Generation, Smart Grid, Public Lighting, Services, Biomass

ACTION PLAN - FOCUS ON CASH GENERATION

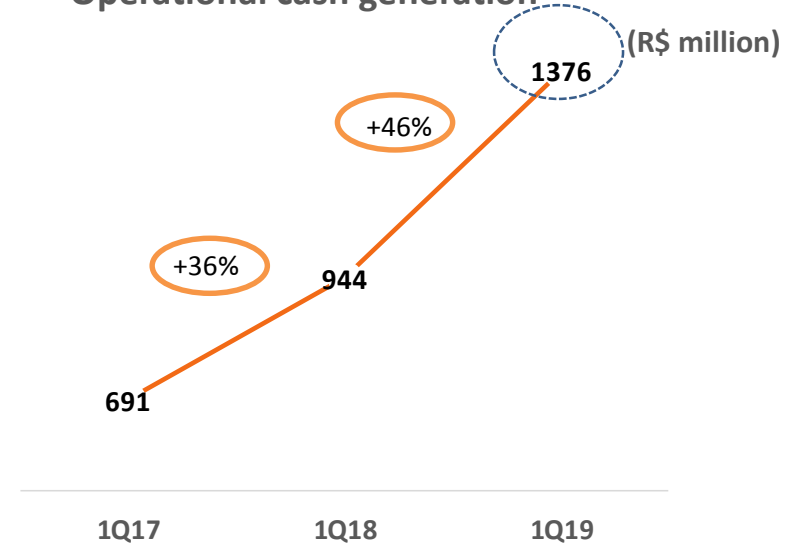
Net Revenue, Adjusted EBITDA and Adjusted Net Income

(R\$ million)



* Adjusted EBITDA in 2017 refers to the recognition of the RBSE and, in 2017 and 2018, the provision for Voluntary Dismissal Program (PDI) and impairment.

Operational cash generation



- ✓ Reduction of personnel costs (includes pension and healthcare plan) ... 23.8% (R\$107 million)
- ✓ Growth in grid market ... 5.1% in 1Q19
- ✓ Increase in the volume of energy sold to final consumers ... 6.8% in 1Q19
- ✓ Start of Revenue in the contracts of HPP Baixo Iguaçu, HPP Colíder and WPP Cutia... ~R\$91 million of additional revenue in the quarter

IMPROVED PERFORMANCE OF ALL BUSINESSES, MAINLY COPEL DIS...



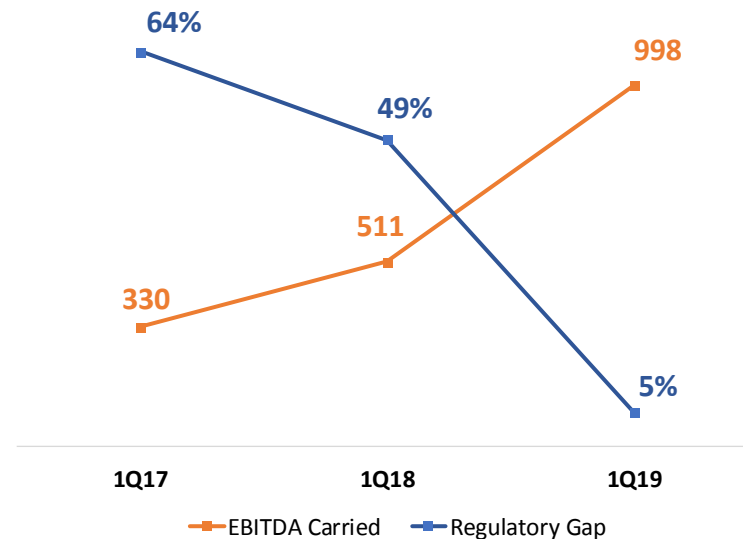
Breakdown Adjusted EBITDA¹

R\$ million

Subsidiary	1Q19	1Q18	Var.%
Copel GeT	606.6	525.6	15.4
Copel Dis	329.8	200.1	64.8
Copel Telecom	35.9	36.5	(1.7)
Other/Elimination	125.3	115.1	8.9
Consolidated	1,097.5	877.3	25.1
EBITDA Margin	28.2%	26.2%	7.5

⁽¹⁾ Consolidated EBITDA adjusted for the non-recurring events identified in Copel GeT, Copel Distribuição and Copel Telecom.

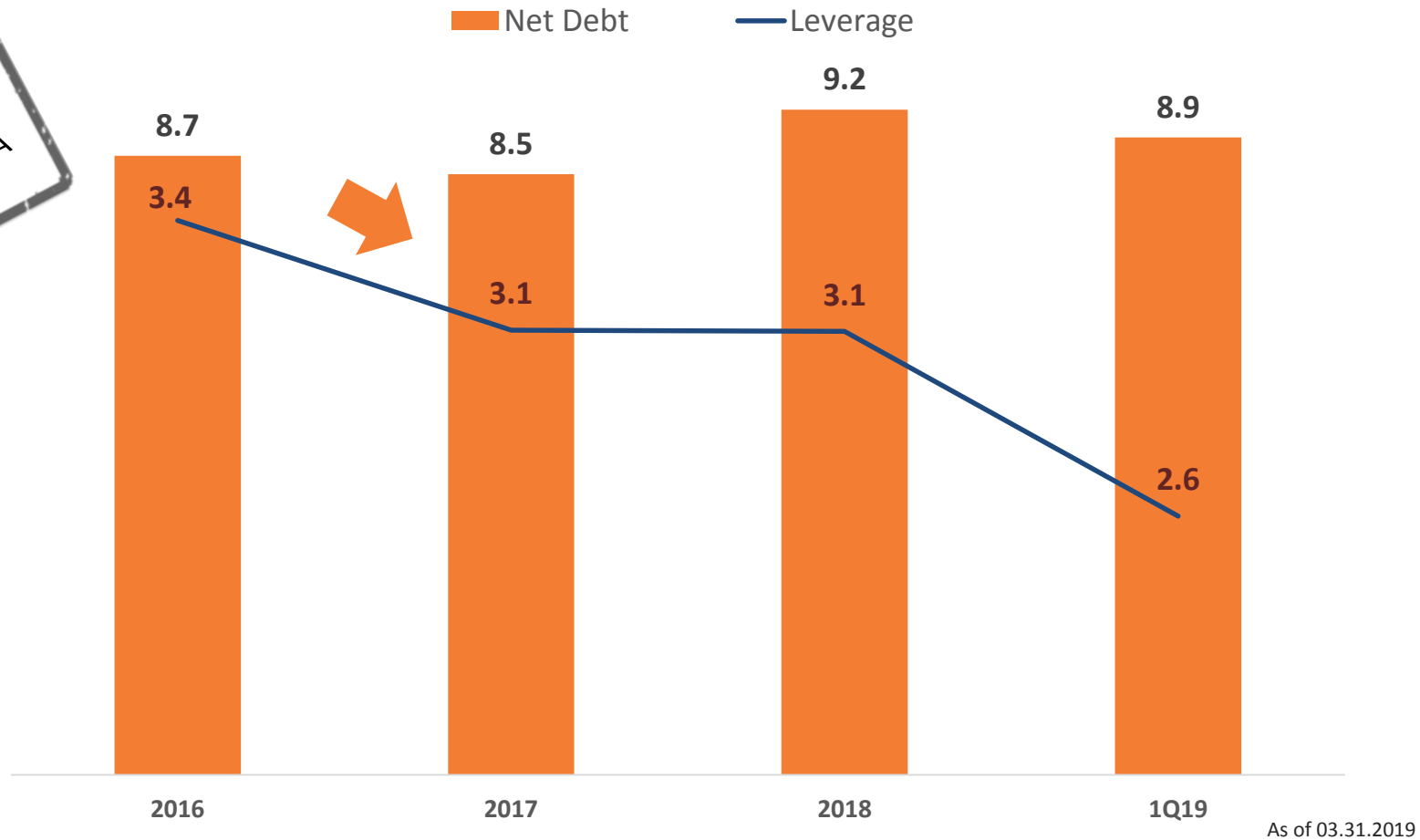
Distribution – cost reduction, more productivity



- ✓ Program of efficiency improvement in Copel DIS, including reduction of personnel, default, review of processes, investments in technology, among others
 - ✓ 12% reduction in the number of employees since 2016
 - ✓ Increase of 10% in consumer/employees ratio in the last 12 months
- ✓ Growth of the market from Dec/16 to Mar/19
 - ✓ Copel 7.31% vs. Brasil 3.25%

LEVERAGE REDUCTION

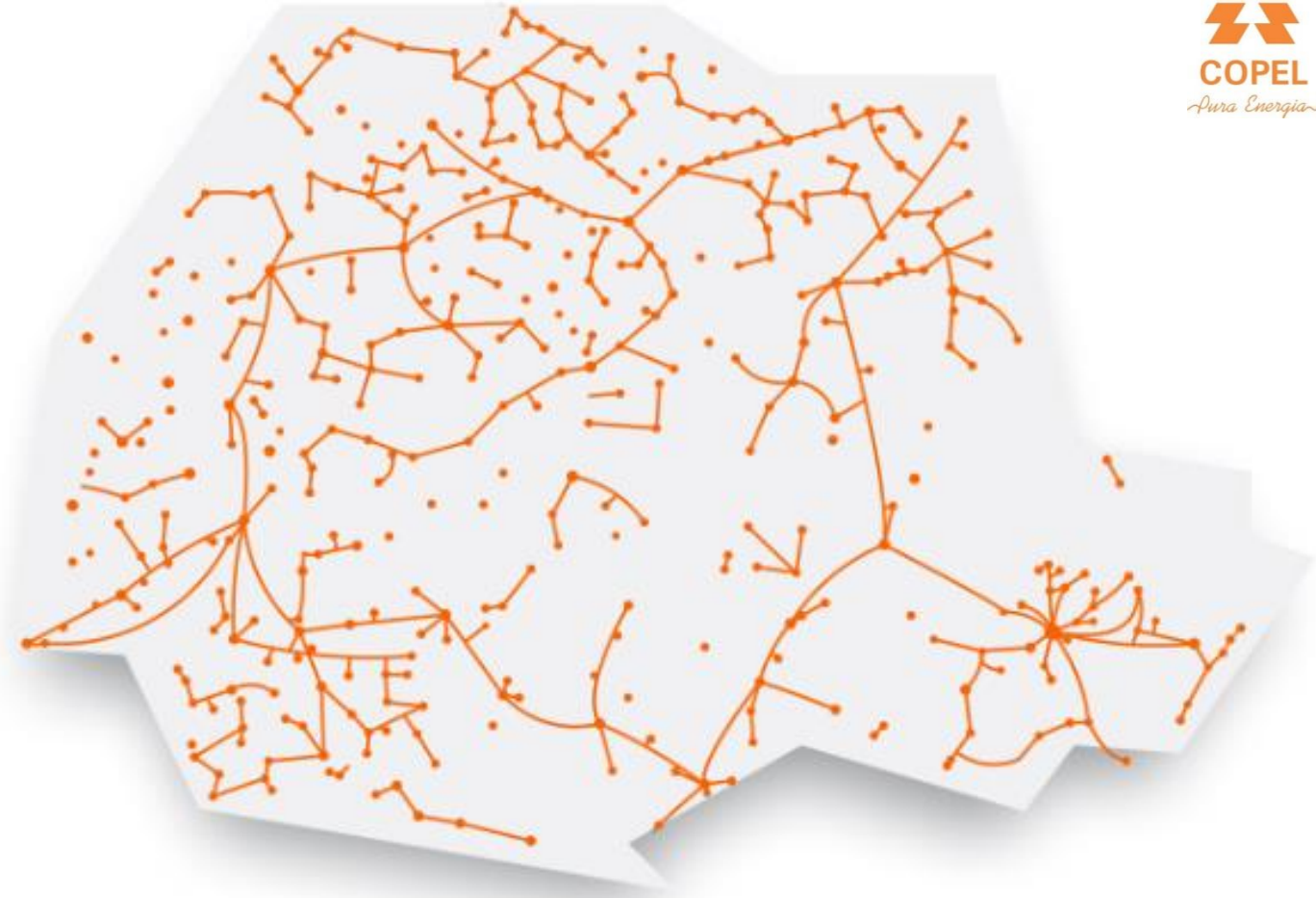
Covenant of 3.5
Net Debt/EBITDA



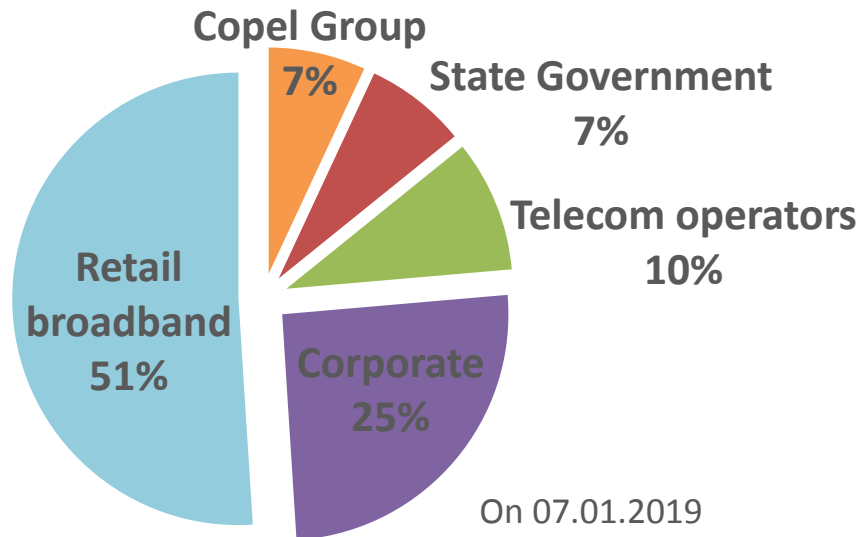
- ✓ Additional revenue in 2019 estimated at R\$ 400-450 million (completion of projects)
- ✓ Reduction of the investment plan (~R\$700m from 2018 to 2019)
- ✓ Reduction of net debt due to the expectation of higher cash generation in 2019

COPEL TELECOM

- ✓ 100% optic fiber
- ✓ 35,000 km of optic fiber, covering all state of Paraná
- ✓ 401 cities
- ✓ 200 thousand customers
- ✓ Data Center provider



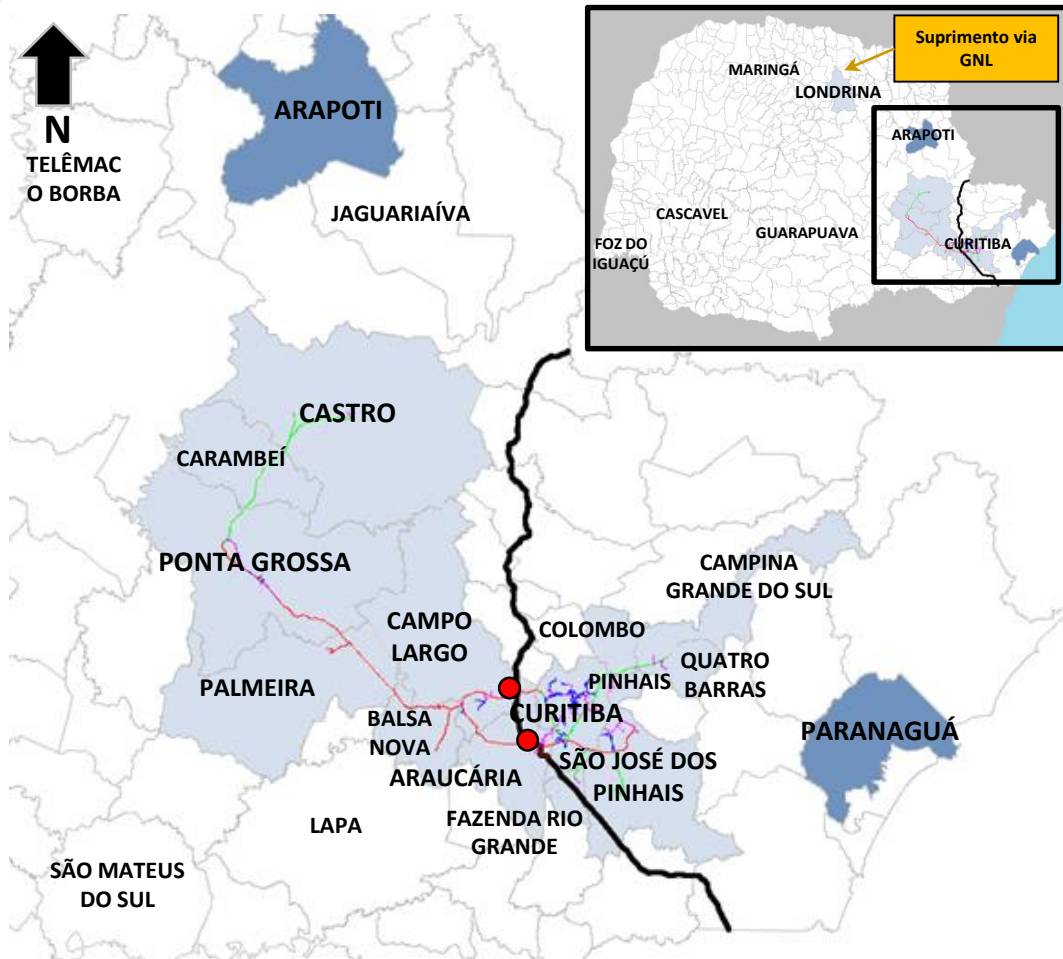
Breakdown Revenue



Revenue	EBITDA	Net Income
<u>1Q19</u>	<u>1Q19</u>	<u>1Q19</u>
R\$115.4 million	R\$35.9 million	R\$3.2 million
<u>LTM</u>	<u>LTM</u>	<u>LTM</u>
R\$432.3 million	R\$119.6 million	R\$21.2 million

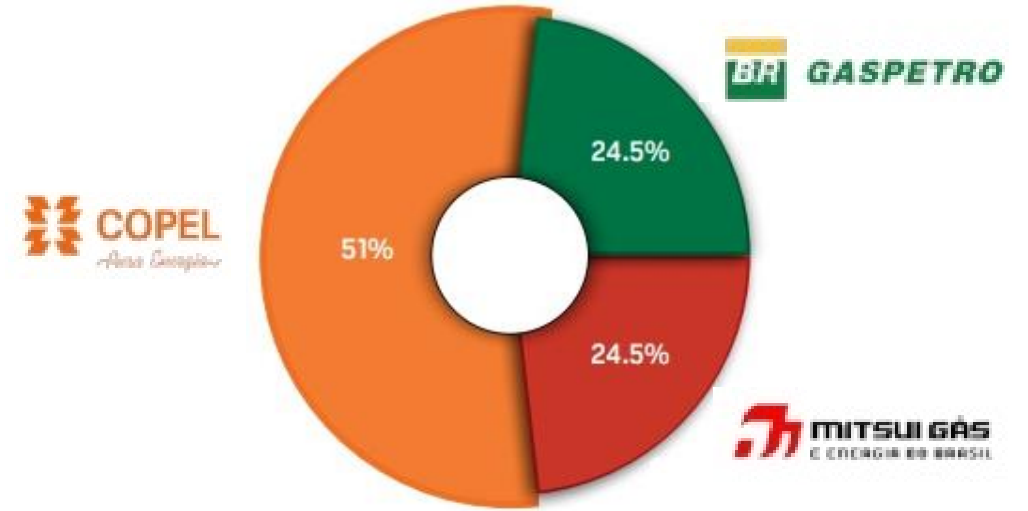
COMPAGAS

Paraná



- GASBOL - NATURAL GAS PIPELINE BOLÍVIA-BRASIL
- Gas Distribution Network - COMPAGAS
- CITY-GATES POINTS (Gas Receiving Points)
- Municipalities Served by the COMPAGAS
- Municipalities Served by the CNG/LGN

Capital Structure



Highlights

- ✓ Natural gas distribution network - 827 km of extension
- ✓ Volume of natural gas sold - growth of 3% in 2018 and annual average of 1,190,302 m³/day
- ✓ Compagas's customer base - grew by 10% (more than 4,100 new clients in 2018)

Investor Relations

ri@copel.com | +55 41 3333-4011
www.ir.copel.com



www.copel.com



[/company/copel](https://www.linkedin.com/company/copel)



[/copel](https://www.facebook.com/copel)



[/Copel Pura Energia](https://www.youtube.com/Copel Pura Energia)



[@copelatendevoce](https://twitter.com/copelatendevoce)

