

# Public Meeting with Analysts and 3Q20 Earnings Release

Rio de Janeiro  
November 12, 2020

taesa

IBOVESPA

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# Legal notice

*The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, comprising the Brazilian Corporation Law, Statements, Guidance and Interpretations issued by Accounting Pronouncement Committee (“CPC”) and the standards of the Brazilian Securities Exchange Commission (CVM), combined with specific legislation issued by Electricity Regulatory Agency - ANEEL. ANEEL, as a regulatory agency, has the power to regulate concessions. Results will be presented in both formats, IFRS format and the regulatory format to allow comparison with other years. Note that Regulatory results will not be audited. Taesa's dividend declaration is performed based on the reviewed IFRS results.*

*Statements in this document related to business perspectives, projections on operating and financial income, and those related to Taesa's growth perspective are merely projections and, as such, are based solely on Executive Board's expectations about business future. These expectations depend substantially on changes in market conditions, on Brazilian economy performance, and on industry and international market performance; therefore, subject to unannounced changes.*

*EBITDA is net income before taxes, net financial expenses, and depreciation, amortization and income expenses. EBITDA is not recognized by accounting practices adopted in Brazil or in IFRS, does not represent cash flow for presented periods, and should not be considered as alternative net income. Presented EBITDA is used by Taesa to measure its own performance. Taesa understands that some financial investors and analysts use EBITDA as an operating performance index.*

*“Net Debt” is not recognized by accounting practices adopted in Brazil nor by IFRS and does not represent cash flow for presented periods. Presented Net Debt is used by Taesa to measure its own performance. Taesa understands that some investors and financial analysts use Net Debt as an indication of its financial performance.*

*Presented managerial results are the sum of Taesa consolidated income with equity in its partially-owned subsidiaries and associated companies. The purpose of this information is to permit better understanding of Taesa business.*

# Monitoring the impacts of COVID-19

## 1 Employees' health safety

- **Gradual return of employees to the offices, complying with all protocols and guidelines** of the health organizations, accompanied by **specialized medical advice**;
- Several **channels to take care** of the physical and emotional health of Taesa's employees and families;
- **Reinforcement of communication** on the importance of complying with **protection and safety measures** (Campaign "I take care of you and you take care of me");
- Monitoring of employees with support in the **treatment of suspected or positive cases identified by COVID-19**.

## 2 Continuity of the operations and projects under construction

- **Taesa** has been conducting its **operation and maintenance activities** in order to guarantee the safety of people and the electrical system, overcoming the **challenges imposed by the pandemic**;
- **Maintenance of high availability rates** (99.95% in 9M20);
- **Progress in investments** for the projects under construction, totaling **R\$ 1,091.7 million** in 9M20;
- **All the projects under construction** are in progress and the Company is working towards **complying with the delivery schedule**.

## 3 Company's financial health security

- **Maintaining a comfortable liquidity position** (R\$ 1.8 billion in cash<sup>1</sup>) with no **relevant debt maturity up to the first half of 2021**;
- **Adequate leverage level** (3.4x net debt / EBITDA<sup>2</sup>);
- Consistent **operating cash generation**, maintaining **low historical default levels**;
- **Continuous monitoring of any default or effects from the crisis** in the energy sector.

<sup>1</sup> The cash balance is the sum of Taesa's consolidated Cash & Cash Equivalent and Investments.

<sup>2</sup> It considers the proportional net debt and EBITDA of the jointly controlled and affiliated companies.



11/11/2019

# 3Q20 Highlights



Regulatory net revenues totaled R\$ 383.3 million, registering a **15.5% y.o.y increase**



Regulatory EBITDA of R\$ 317.6 million (+15,4% y.o.y) and EBITDA margin of 82.9% – **growth resumption** of the operating results after 2 years of decline



**Positive impact** from the **consolidation of the results of the new brownfield and greenfield assets** recently concluded



IFRS net income totaled R\$ 631.9 million, registering a **76.6% y.o.y increase**



Maintenance of **maximum earnings distribution** (ex-CPC 47) – R\$ 1.36 per Unit over 3Q20 results (approved in 2020: R\$ 3.05 per Unit)



**Solid liquidity position** amid the global crisis (R\$ 1.8 billion at the end of 3Q20), and a net debt to EBITDA ratio of 3.4x



**Progress in investments** for the projects under construction (R\$ 1,091.7 million in 9M20)

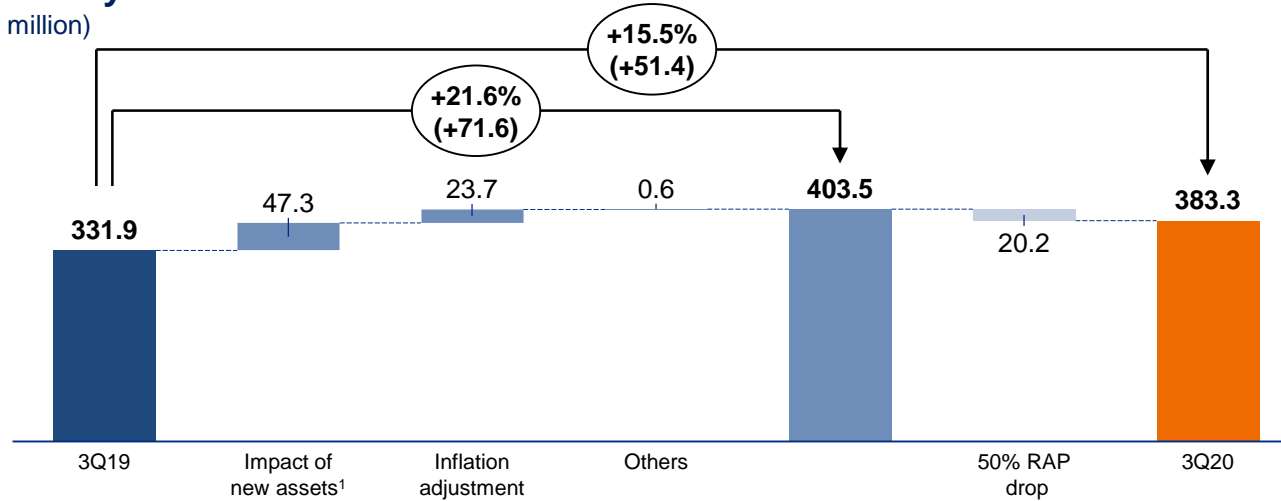


Maintenance of **high availability rate** (99,95% no 9M20)

# Regulatory EBITDA

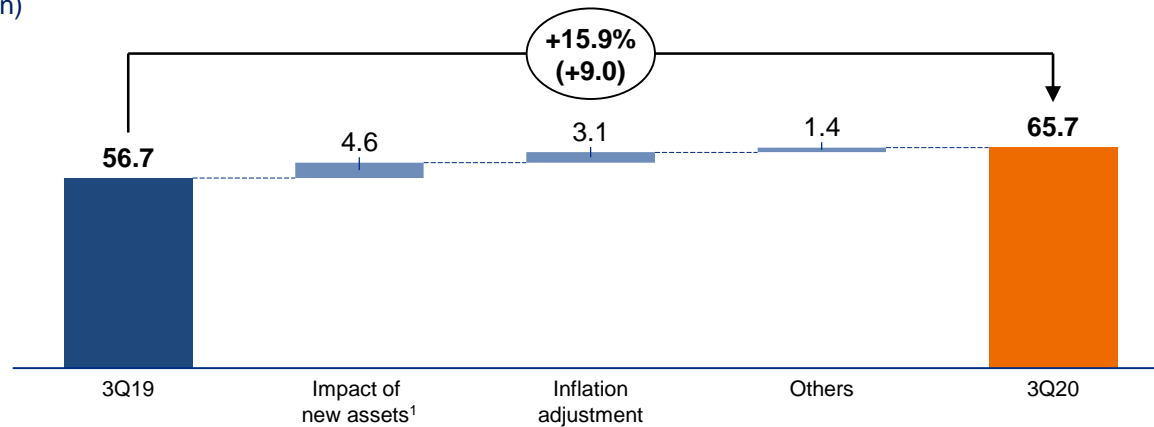
## Regulatory Net Revenues

(in R\$ million)



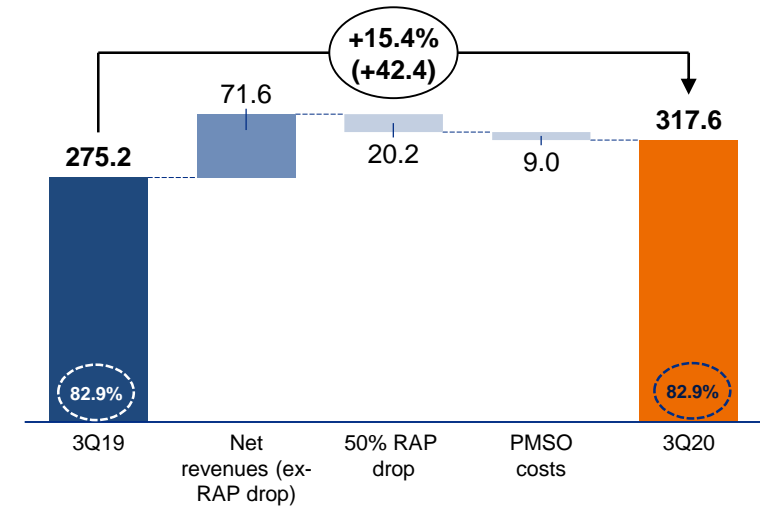
## Regulatory PMSO Costs

(in R\$ million)



## Regulatory EBITDA

(in R\$ million)

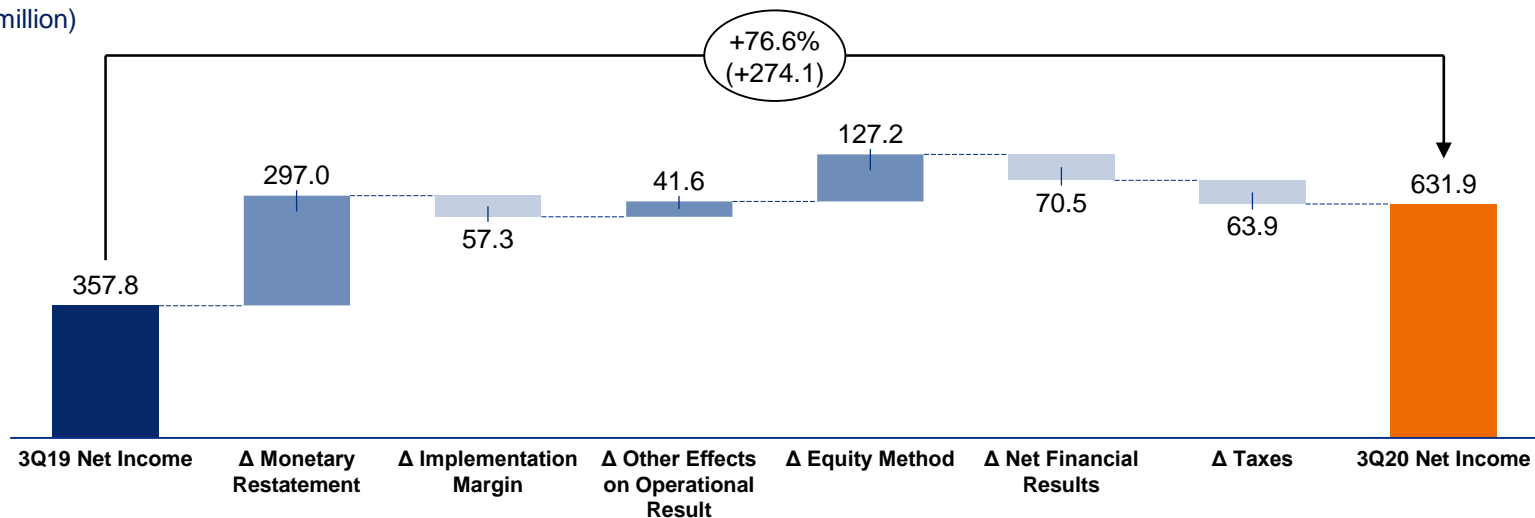


EBITDA margin

# Net Income under IFRS

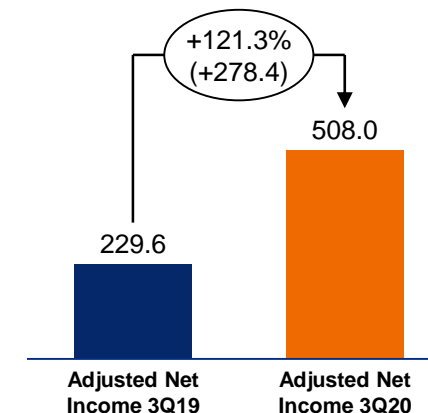
## Net Income

(in R\$ million)



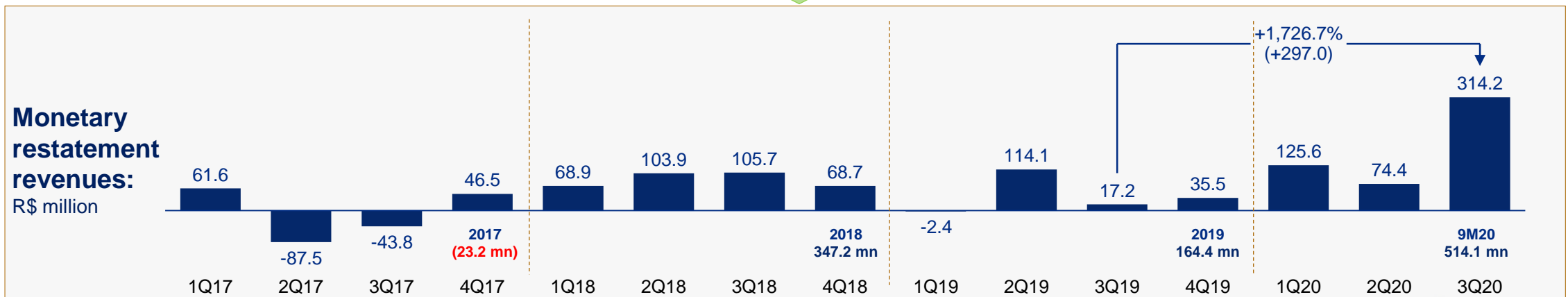
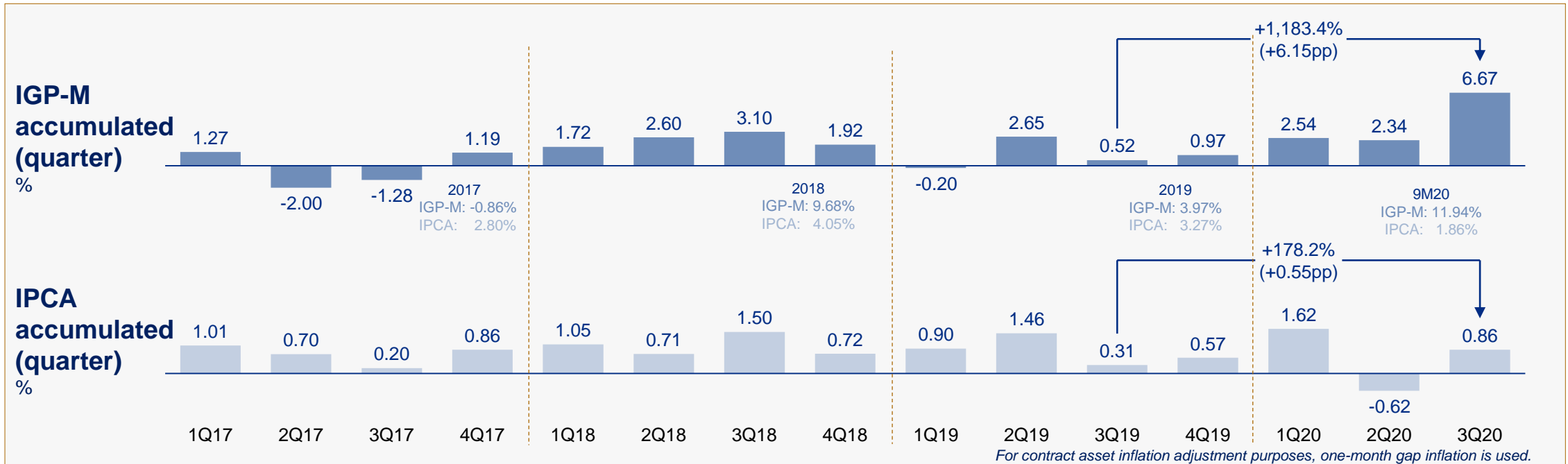
## Adjusted Net Income – ex-CPC 47

(in R\$ million)



- **Better monetary restatement revenues and equity method results** due to greater macroeconomic indices recorded between the compared periods.
- **Consolidation of the results of the new brownfield and greenfield assets** recently concluded, adding approximately R\$ 158 million to the IFRS net income.
- **Increase in net financial expenses**, as a result of the funds raised in 2020, the greater IPCA and the lower cash volume due to the payments of debt interest and principal and to higher investments in the projects under construction in the period.

# Macroeconomic impact on IFRS Revenues





# Projects under Construction

## Janaúba

100% Taesa

RAP/CAPEX\*: 197.7 / 960

ANEEL Construction term: **Feb 2022**

End of concession: **Feb 2047**

**SUDENE** Benefit



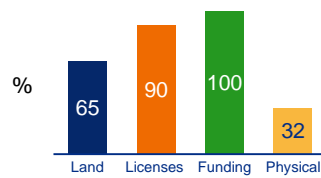
## Sant'Ana

100% Taesa

RAP/CAPEX\*: 62.1 / 610

ANEEL Construction term: **Mar 2023**

End of concession: **Mar 2049**



## ESTE

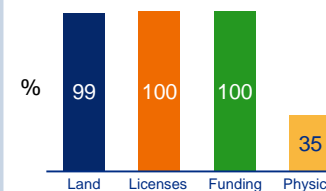
49,98% Taesa

RAP/CAPEX\*: 114.4 / 486

ANEEL Construction term: **Feb 2022**

End of concession: **Feb 2047**

**SUDENE** Benefit



## Aimorés

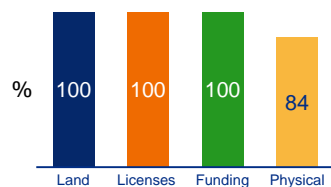
50% Taesa

RAP/CAPEX\*: 80.9 / 341

ANEEL Construction term: **Feb 2022**

End of concession: **Feb 2047**

**SUDENE** Benefit



## Paraguaçu

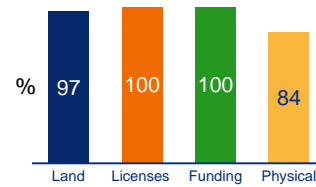
50% Taesa

RAP/CAPEX\*: 120.7 / 510

ANEEL Construction term: **Feb 2022**

End of concession: **Feb 2047**

**SUDENE** Benefit



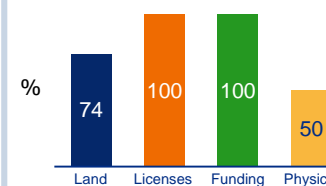
## Ivaí

50% Taesa

RAP/CAPEX\*: 299.5 / 1,937

ANEEL Construction term: **Aug 2022**

End of concession: **Aug 2047**



\* R\$ millions (2020-2021 RAP cycle / ANEEL CAPEX)

\*\* Funding does not consider the fundraising of Taesa's partners in each project



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