

# 4Q20/2020 Results Webinar



# AGENDA

1 New Governance Structure

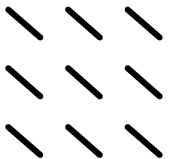
2 2020 Pandemic Scenario

3 2020 Highlights

4 2014-2020 Review

5 2020 Results

6 Introducing the New CEO



# New Corporate Governance Structure

## Board of Directors



Miguel Setas

Chairman

Miguel Setas – Chairman  
João Marques da Cruz – Deputy Chairman  
Rui Teixeira – Member  
Vera Pereira – Member  
Ana Marques – Member  
Pedro Malan – Independent Member  
Modesto Carvalhosa – Independent Member  
Francisco Pitella – Independent Member  
Juliana Rozenbaum – Independent Member



CEO

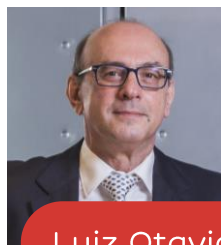
João Marques da Cruz

## Executive Board



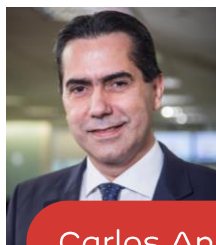
Henrique Freire

Finance and IR  
VP



Luiz Otavio Henriques

Generation, Transmission  
and Trading VP



Carlos Andrade

Customers VP



João Brito Martins

Distribution VP

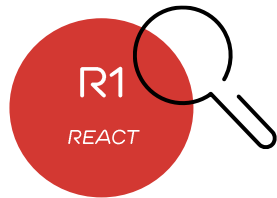


Fernanda Pires

People and  
ESG VP

# 3R – React, Recover and Reshape

Actions at different stages along the pandemic scenario

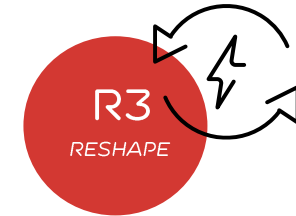


COVID-19  
Crisis  
Committee

- Strict prevention and employee-protection measures;
- BRL 3.1 B liquidity reinforcement;
- Over BRL 10 million donated to fighting the pandemic;
- 57 initiatives to mitigate the effects of the pandemic;
- BRL 745 million recovered with implementation of the RRP<sup>1</sup>;
- Resumed CAPEX and Transmission construction works;
- Dividends Policy and Share Buyback Plan.



Results  
Recovery Plan

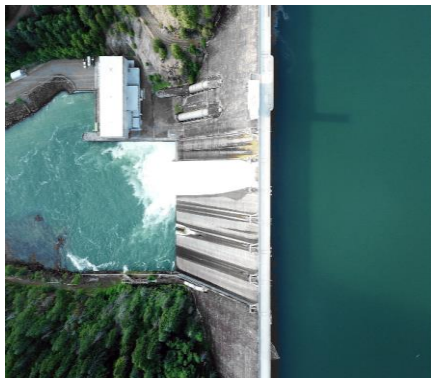


Opportunities  
Committee

- Growth
- Customer
- Digital
- Innovation
- Green Recovery
- Diversity & Inclusiveness
- New working models

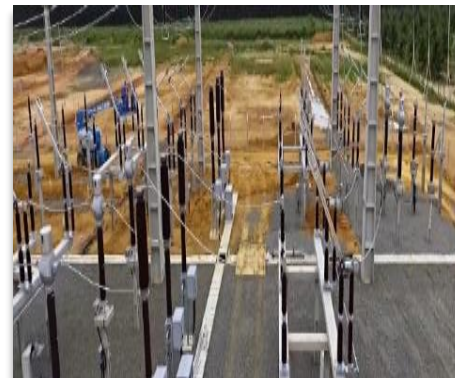
# Main 2020 Highlights 1/2

## Generation and Commercialization



- **Renegotiation** of GSF on the ACL<sup>3</sup> with **effect of BRL 388 million**<sup>1</sup>;
- **Hydrological risk mitigation** with seasonalization and integrated management with the Commercializer;
- Trading Company **contracts marked to market**<sup>2</sup>.

## Transmission



- **80% of total CAPEX** executed;
- **Operational startup of Lot 11 (MA)**- 12 months ahead of regulatory schedule;
- Early Delivery Schedule maintained;
- **Acquisition of the MGTE Lot** in Maranhão state.

## Distributed Generation

- Acquisition of an equity stake in **Blue Sol**;
- **New distributed solar projects contracted**, reaching **65.3 MWp**.



## Distribution

- Tariff readjustments, increasing **Parcel B at EDP SP by 21.0%** and **EDP ES by 2.55%**;
- Investment **16% grater** at **2.2 x QRR**;
- Acquisition of Celesc shares totaling **29.9% of equity**.





# Main 2020 Highlights 2/2

## Financial



- Historic EBITDA at **BRL 3.4 billion, 16% above** the previous year;
- Net Debt-to-Adjusted EBITDA **at 2.4x**;
- Efficient cost control, at **-3.6%, recurring PMTO**;
- Implementation of New Dividends Policy with a minimum payment of **BRL 1.00 per share**;
- Declared Dividends and Interest on equity of **BRL 599 million**;
- Share buyback underway, with the purchase of **12.3 million shares**<sup>1</sup>.

## ESG & Innovation

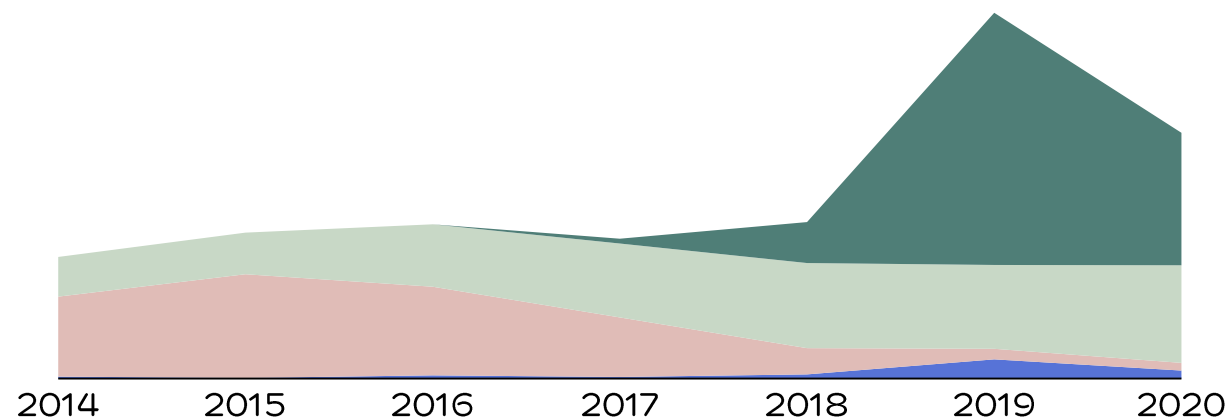


- Listed in B3's **ISE** for the 15th consecutive **year**;
- Listed in B3's **ICO2** for the 1st time;
- Adhesion to the UN's **Business Ambition for 1.5°C – Our Only Future**;
- EDP named **most innovative company in the electric energy industry** by Valor Inovação Brasil;
- Installation of the **1st public superfast charging e-station in Brazil (30 installed)**.

<sup>1</sup> As-of date: February 4, 2021

# Attractive Return on Capital Allocation in Recent Years

○ ○ CAPEX  
○ ○ BRL million



Transmission Generation  
Distribution Solar & Energy Efficiency

Investments > BRL 10.0 billion  
fulfilling strict capital allocation  
criteria

Future Businesses: BRL 0.3 billion

- Solar PV : 65 MWp
- E-Mobility: 6 stations; 30 ultrafast charging stations
- Exponential technologies / Smart Grids

Growth Businesses BRL 3.3 billion

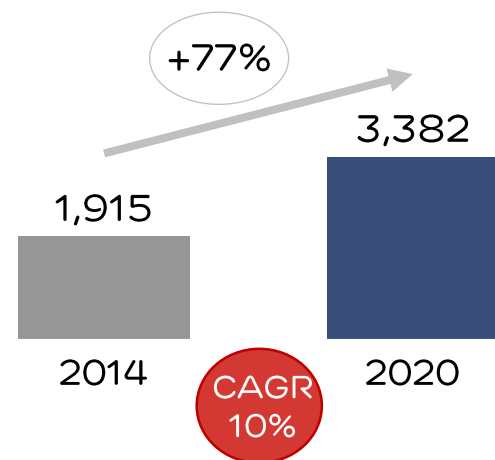
- Transmission: 6 Lots ( 2 operational)
- Trading: 3rd largest in energy traded
- Distribution: CELESC (29.9% equity stake)

Mature Businesses BRL 6.6 billion

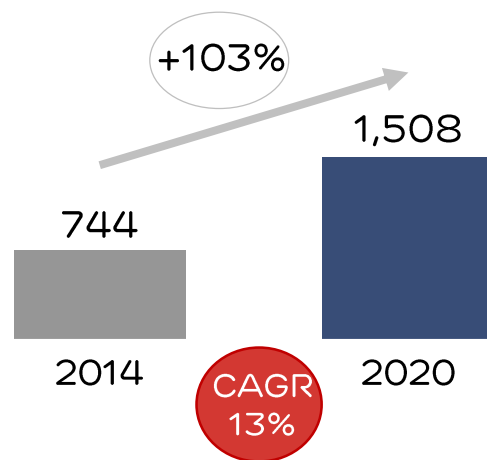
- Hydro: 3 HPPs delivered ahead of schedule
- Thermal: Operational and financial turnaround
- Distribution: Net BRR +36%; CAPEX/QRR ~ 2x

# Solid Results History

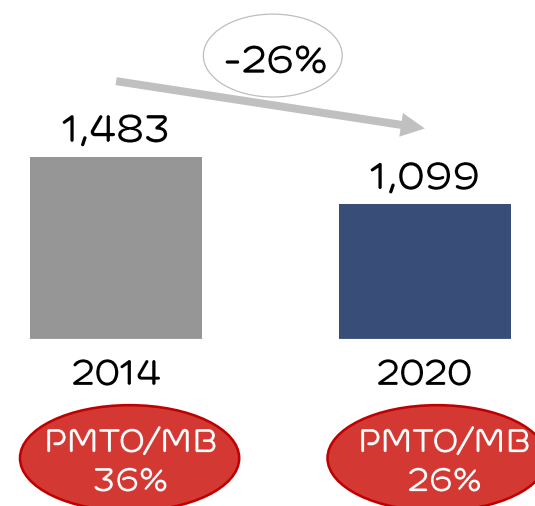
EBITDA  
BRL million



Net Income  
BRL million



Recurring PMTO<sup>1</sup>  
BRL million



- 2014-2020 OBZ Implementation
- + 159 cross-sectional efficiency initiatives
  - + 200 thousand hours of robotic work



Efficiency  
2014-2020  
22.6% gain  
Over the period's inflation

Double-Digit Growth

Distinctive Execution

De-risking

Discipline

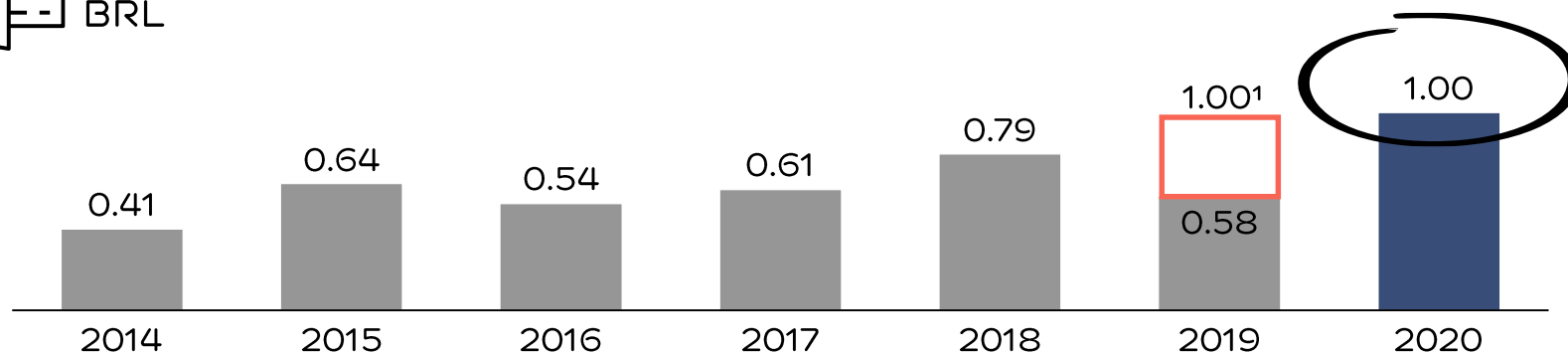
Driven by Technology



# Consistent Dividends Payout

TSR  
14%  
p.a.<sup>4</sup>

Dividends per share  
BRL



- Share buyback underway, at BRL 235 million so far.
- Post-Dividends Net Debt-to-Adjusted at 2.6X

## Dividends Policy

ISE<sup>2</sup> + dividends payment

Management Commitment: Minimum dividend of BRL 1.00 with payout in excess of 50% of adjusted net income<sup>2</sup>.

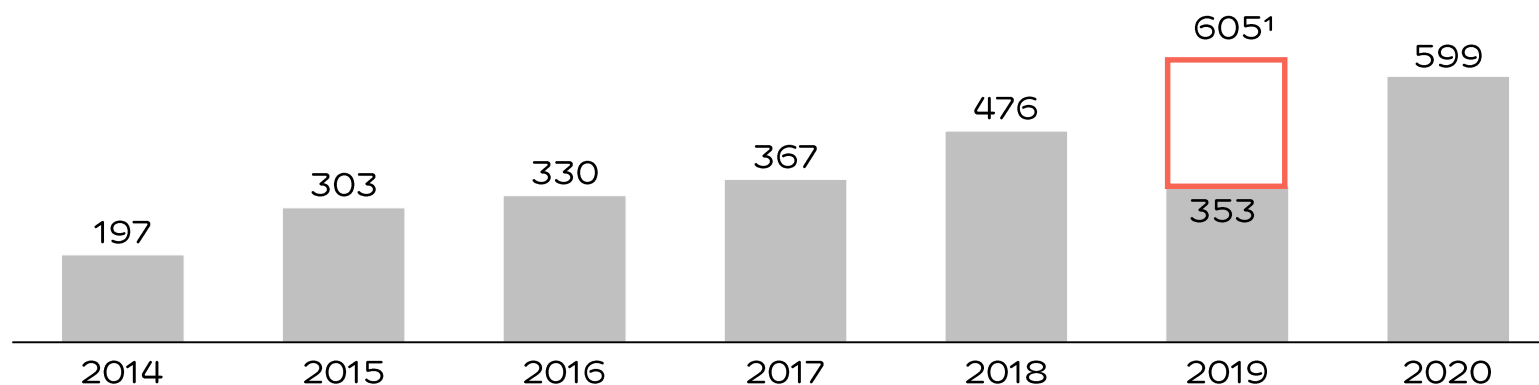
New Dividends Policy sets the following leverage parameter.

**Leverage:** Net Debt-to-Adjusted EBITDA<sup>3</sup> target: 2.5x-3.0x

Minimum: 2.0 x

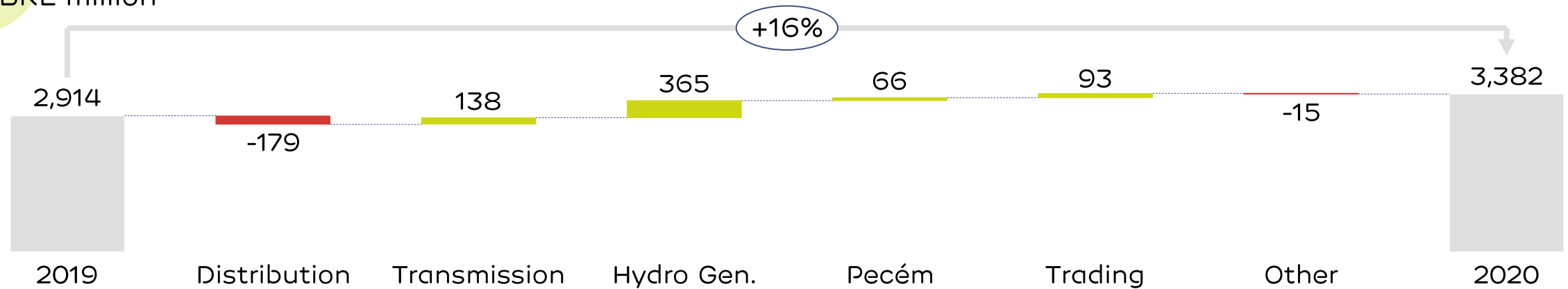
5.1%  
Div.  
Yield

Dividends  
BRL million

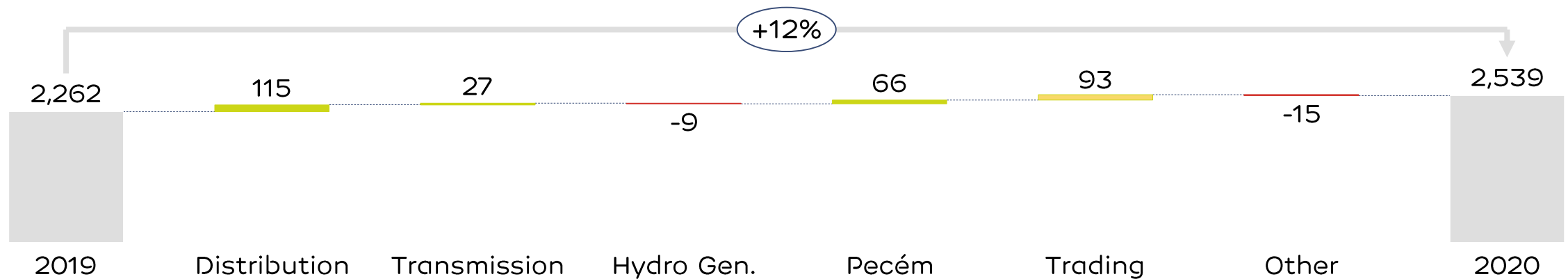


# 2020 Results Recovery

## EBITDA BRL million



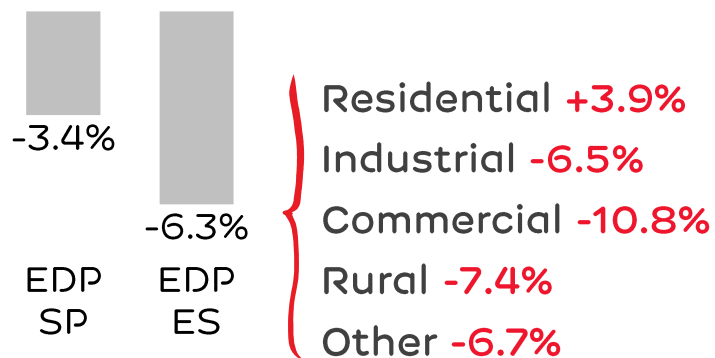
## Adjusted EBITDA<sup>1</sup> BRL million



<sup>1</sup> Excludes IFRS, transmission, NRV and other non-recurring items.

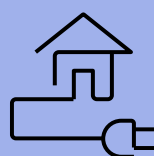
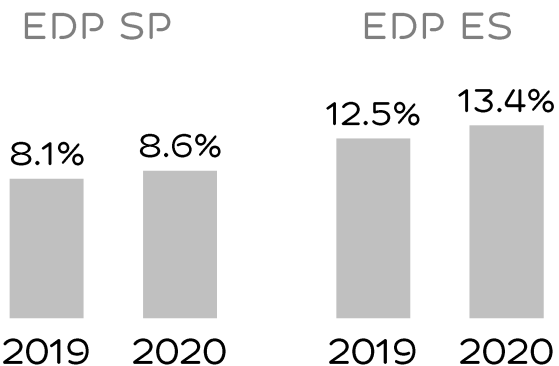
# Distribution: Material Impacts of the Pandemic

## Distributed Energy Volume (2020 vs. 2019)



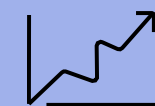
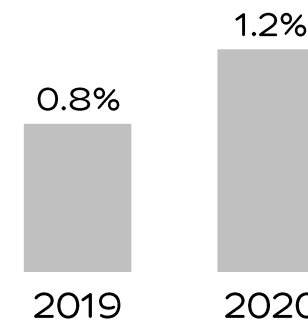
Gradual recovery of consumption starting in the 3rd quarter

## Losses<sup>1</sup>



Increasing investment and power cuts resumed in August

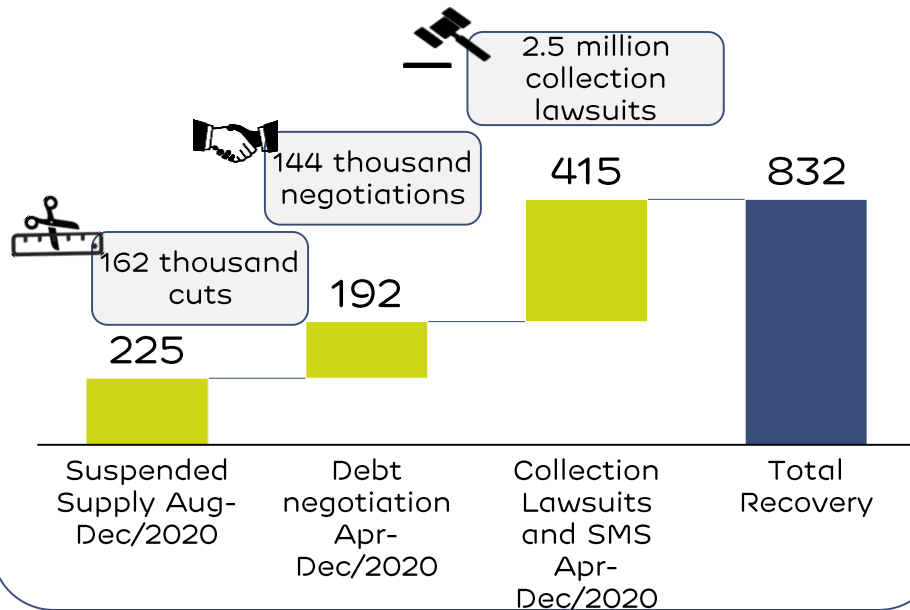
## PCL<sup>2</sup>/Gross Revenue (EDP SP+ EDP ES)



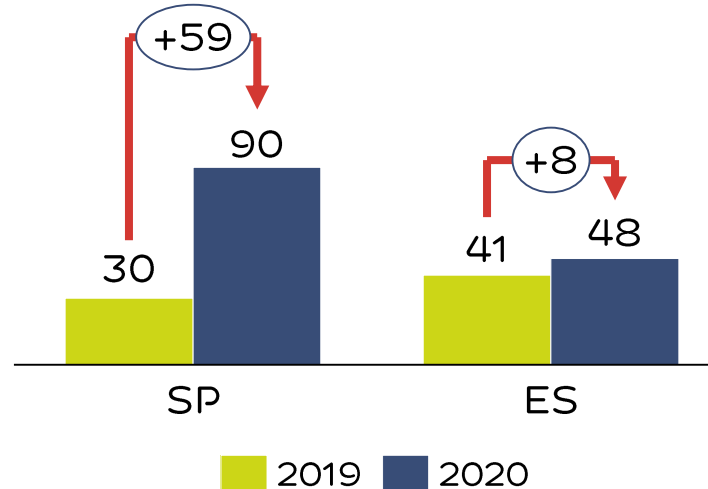
BRL 163.5 million in fines and interest revenues booked in 2020

# Distribution: Revenue Recovery Measures

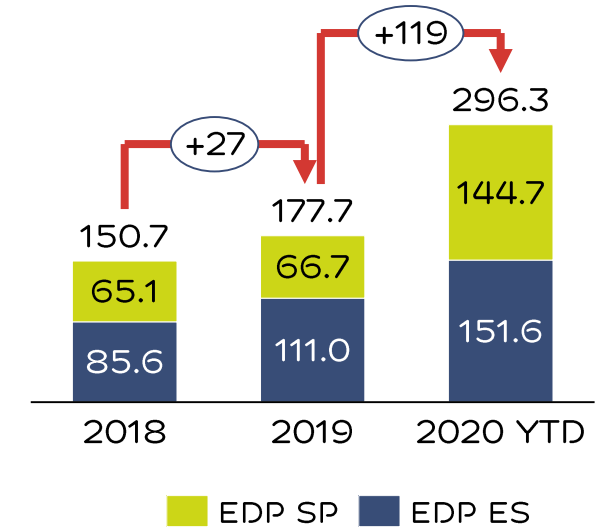
Revenue recovery by action type  
BRL million



Revenues recovery efficiency  
BRL recovered to each BRL invested



Evolution of the Customer Base Paying Social Tariff  
in thousands



BRL 832 million  
in revenues recovered since  
the pandemic began

More Efficient Anti-  
Delinquency  
Process

Increased social-tariff  
customer base to minimize  
delinquency

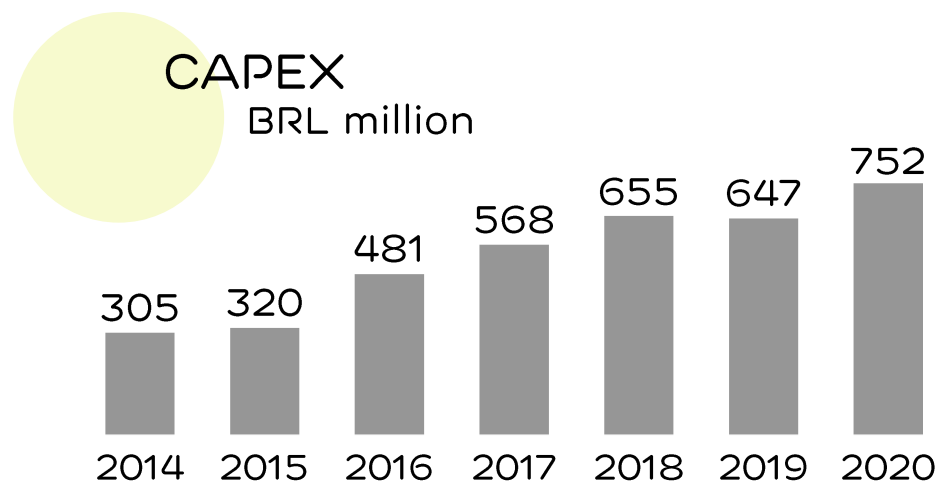
# Reinforced Investment Plan Reflected in the Parcel B Increase

## EDP SP

- Parcel B: 21.0% (BRL 1,198 M)
- Regulatory EBITDA: BRL 576.0 M
- Average effect perceived by consumers: 4.82%

## EDP ES

- Parcel B: 2.55% (BRL 1,004 M)
- Regulatory EBITDA: BRL 504.6 M
- Average effect perceived by consumers: 8.02%

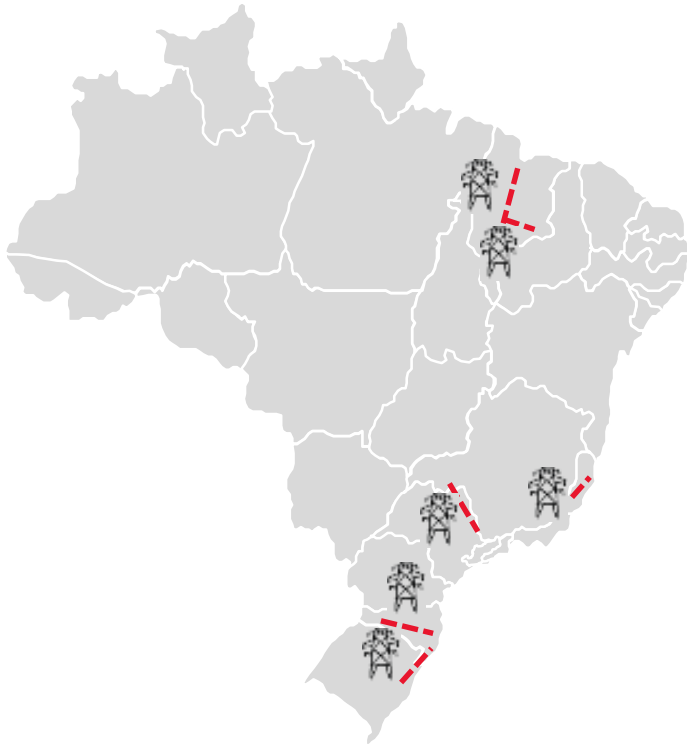


Investment/QRR: >2.5  
x in the next cycle

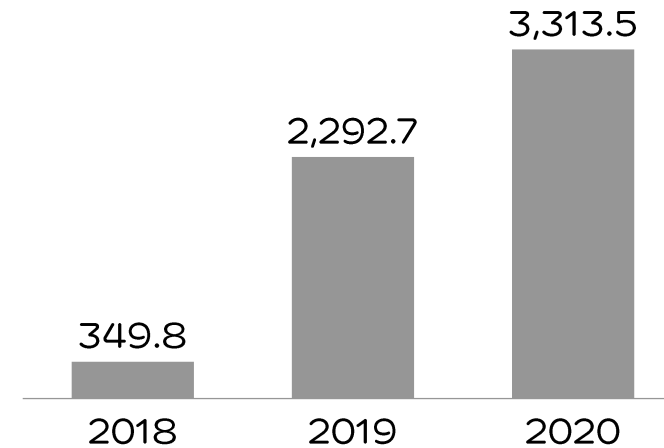


- Tariff impact of adjustments reflects on increased income (tariff effect).

# Transmission: Early-Delivery Schedule Maintained



## Accumulated Investment BRL million



## Construction evolution<sup>2</sup>

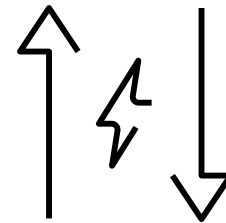
Transmission Projects	Physical Progress	COD ANEEL
Lot 07 (MA I)	94%	Aug/2022
Lot 18 (SP-MG)	73%	Aug/2022
Lot 21 (SC)	88%	Aug/2022
Lot Q (SC-RS) <sup>3</sup>	35%	Jun/2020



## Operating Lots

- ✓ Lot 24 (ES): RAP BRL 24 million
- ✓ Lot 11 (MA II): RAP BRL 33 million

- ✓ 80% of CAPEX executed;
- ✓ BRL 3.3 billion invested so far;
- ✓ 6 projects: 1,441 km (BRL 4.1 billion total CAPEX);
- ✓ RAP<sup>1</sup>: BRL 599 million in total revenues;
- ✓ NPV > BRL 1 billion.



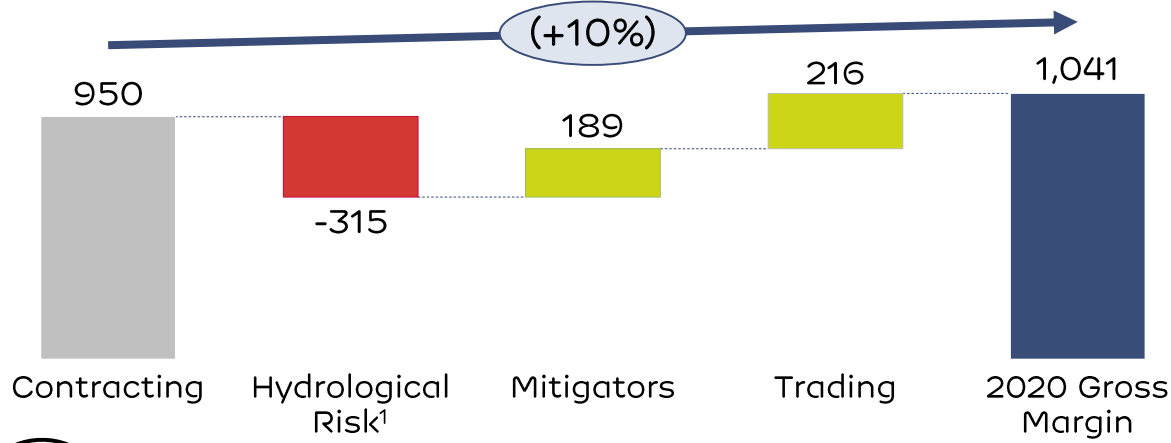
Secondary-market **acquisition of Lot 18**, in the state of Maranhão (ANEEL Transmission Auction 002/2018)



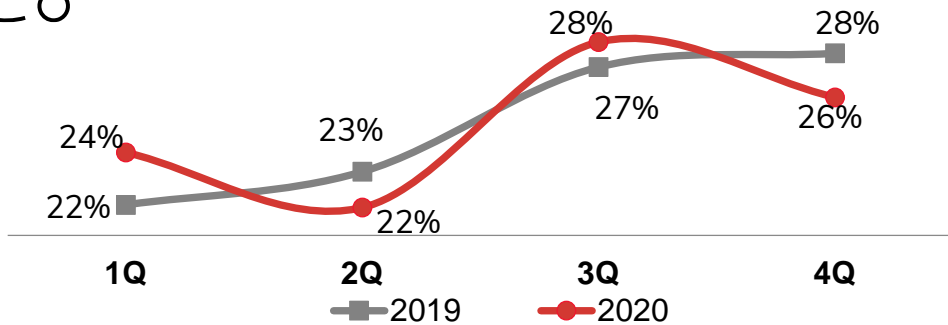
# Integrated Management of Hydro Generation and Trading

## Gross Margin Breakdown

2020 Hydrological Risk Management  
BRL million



## Seasonal weighting

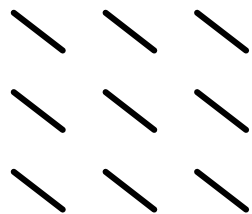


	2019	2020
GSF	80.9%	79.9%
PLD	BRL 227.1	BRL 176.8

## GSF Renegotiation

	BRL million	Period (months)
Enerpeixe	203.6	66
Lajeado	93.9	13
Energest	91.4	18
São Manoel <sup>2</sup>	3.5	5
Jari <sup>2</sup>	2.8	3
<b>Total</b>	<b>395.2</b>	

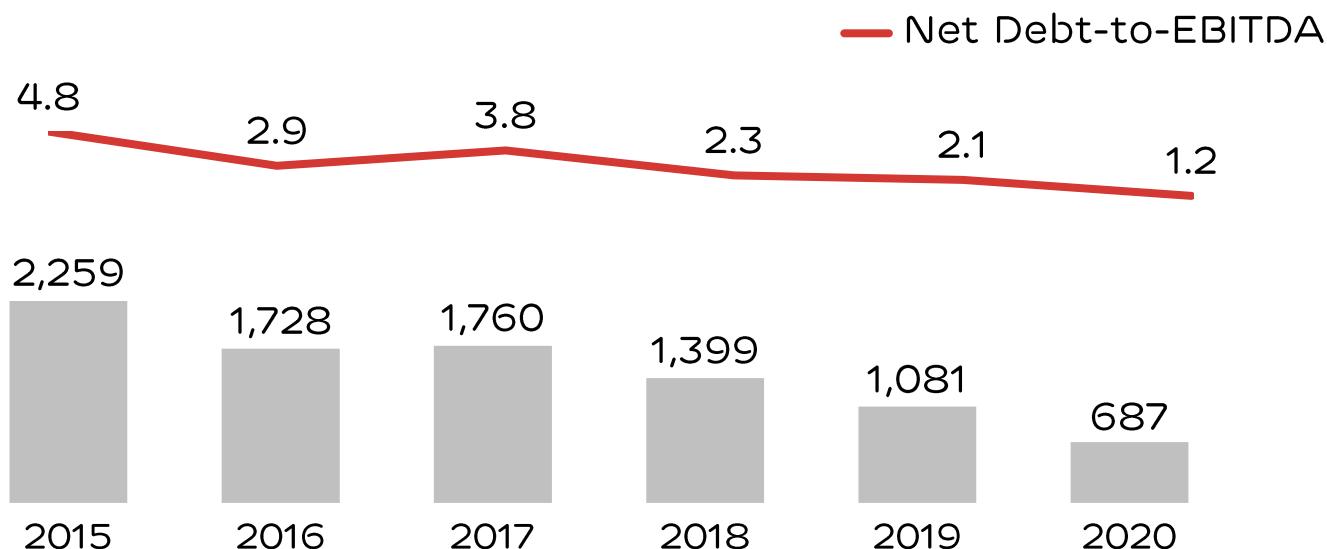
<sup>1</sup> Considers the impacts MRE, PLD and GSF. Excludes GSF Renegotiation. <sup>2</sup> Considers EDP's stake



# Pecém: Strong Cash Generation Capacity

## Net Debt

BRL million



Average plant uptime in the year was 92%

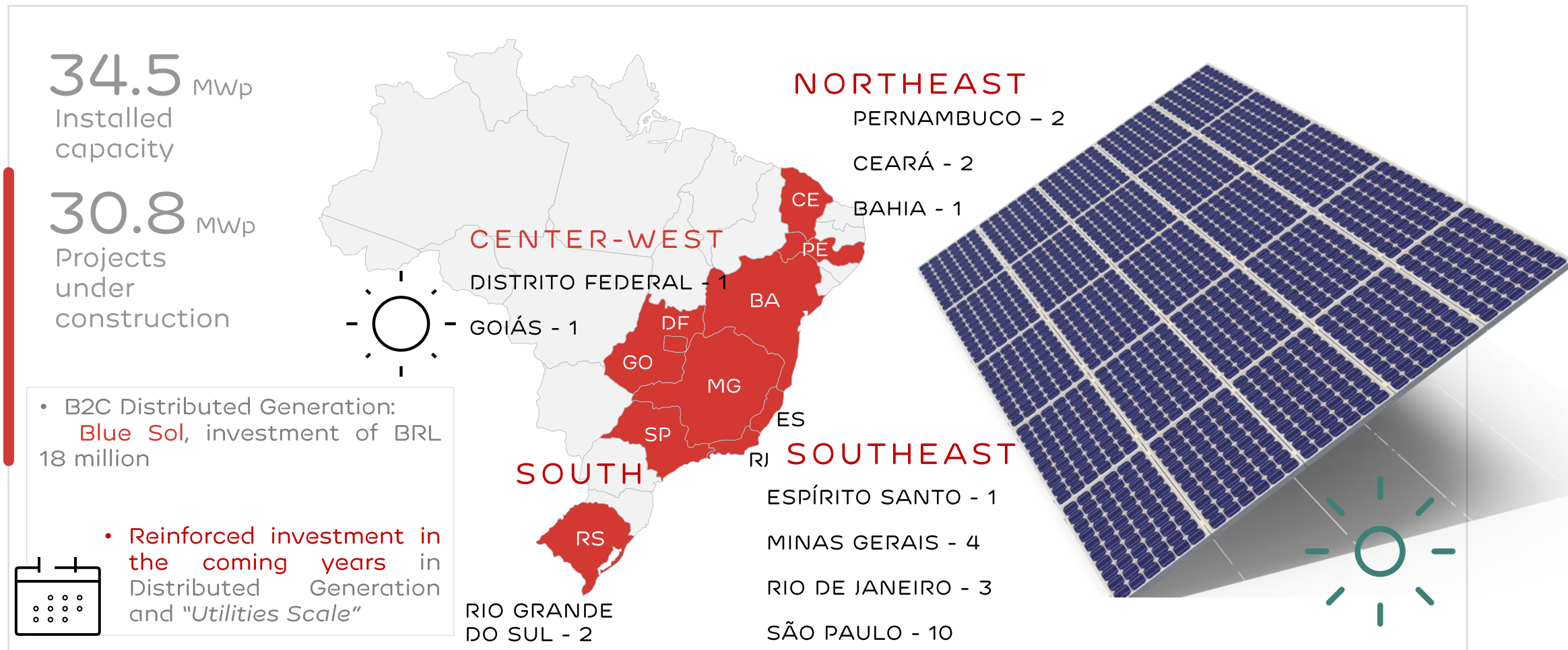
## DIVIDENDS

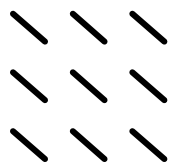


100% payout  
2020: BRL 280.2 million  
2019: BRL 177.4 million

- Strong cash generation capacity in the coming years
- BNDES certification of technical, operational and financial completion, enabling full dividend distribution.

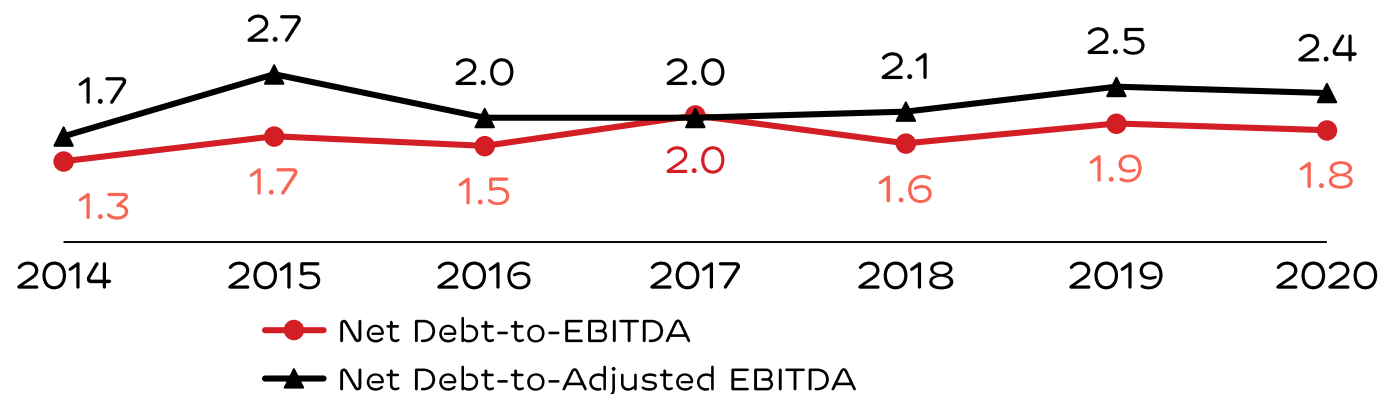
# Distributed Generation: Exponential Growth



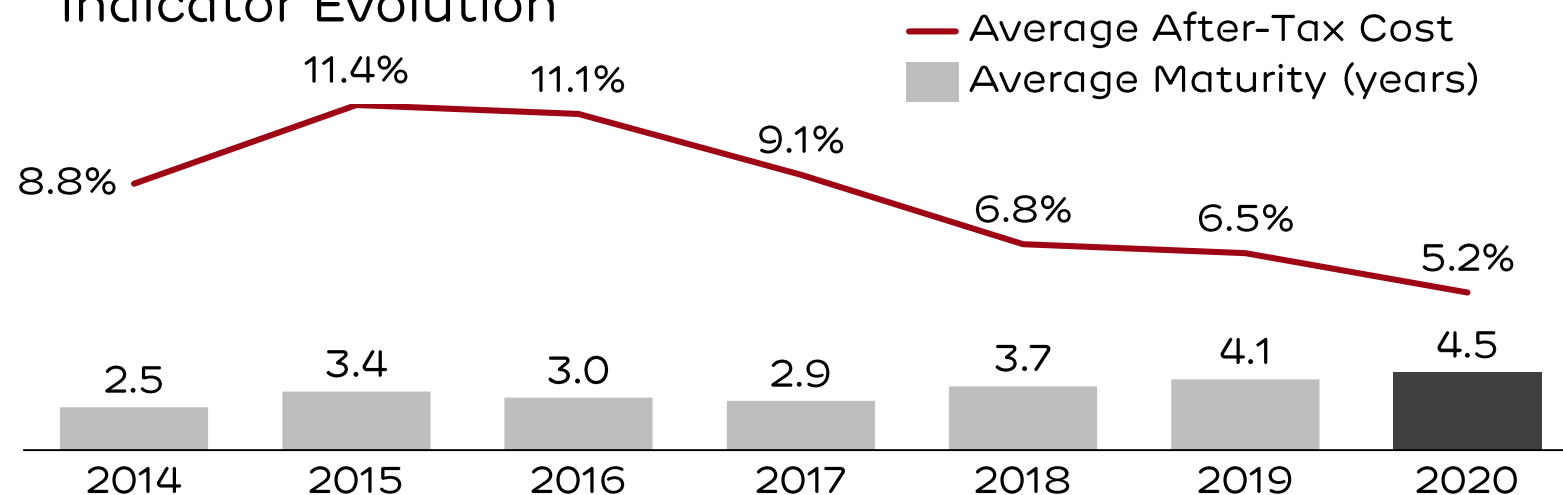


# Leverage: Strategic Rationale

## Net Debt-to-EBITDA



## Indicator Evolution



- 75% unsecured issues<sup>1</sup> for Distribution and Generation;
- Continued reduction of average cost and increased average maturity.

### Competitive refinancing in 2021

- Feb/21 BRL 1.5 billion raised at distribution companies at an average cost of CDI + 1.30%.



AAA ratings for EDP, EDP ES and EDP SP.

<sup>1</sup> Debt issues via capital markets

# ESG Agenda Benchmark : Environmental and Social



## Environmental

- Business Ambition for 1.5°C and Coordination of the Act for Climate (A4C) platform, of the Global Compact's Brazil Network;



- Best performance ever on the ISE (Corporate Sustainability Index) and 17-point gain on the climate dimension from 2018;

**ISEB3**

- Approval of the Greenhouse Gas emissions reduction target (industry 1st in Latin America and the 1st large Brazilian company);



- First-time at the CDP (Carbon Disclosure Project) leadership level, with A-grade.



## Social

- Reference in social and cultural investments through the EDP Institute

- More than BRL 10.1 million donated to pandemic fighting measures;

- New pledges under the Inclusiveness and Diversity Program – 2022 target:



- 50% hires from underrepresented groups;
- 20% of women in leadership positions and 30% of the overall workforce.

# ESG Agenda Benchmark: Corporate Governance



## Governance



Miguel Setas

Chairman

### Board of Directors

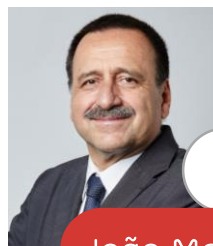
Miguel Setas – Chairman  
 João Marques da Cruz – Deputy Chairman  
 Rui Teixeira – Member  
 Vera Pereira – Member  
 Ana Marques – Member  
 Pedro Malan – Independent Member  
 Modesto Carvalhosa – Independent Member  
 Francisco Pitella – Independent Member  
 Juliana Rozenbaum – Independent Member

33% female Member



Compensation Committee  
 4 Committees chaired by  
 Independent Directors :

- (i) Audit Committee
- (ii) Sustainability Committee
- (iii) Governance and Related parties Committee
- (iv) Inclusiveness and Diversity Committee



CEO

João Marques da Cruz

Establishment of Vice  
 Presidency focused on  
 ESG

## Executive Board



Henrique Freire

Finance and IR  
 VP



Luiz Otavio Henriques

Generation, Transmission  
 and Trading VP



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Customers VP



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Fernanda Pires

People and  
 ESG VP



"Telling effective stories is not easy.  
The difficulty lies not in telling the  
story, but in convincing everyone else  
to believe it."

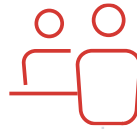
Yuval Noah Harari, "Sapiens"



## INVESTORS

Deliver the Business Plan and honor the dividends policy, communicating the value creation and growth strategy effectively, to leverage Total Shareholder Return increase

01



## CUSTOMERS

To make customers the focus of action through a value proposition that meets consumers' actual needs

02



## DISTRIBUTION BUSINESS

To believe in the business, delivering quality service and managing the regulatory agenda

03



## GENERATION BUSINESS

To transform the existing portfolio for increased relevance from Solar (Decentralized and utility scale) in response to the energy transition

04



## TRANSMISSION BUSINESS

To expand, realizing opportunities on the primary and secondary markets and rotating assets to crystallize value

05



## PEOPLE

To respect and motivate our people for excellent execution, reconciling efficiency and the ESG Agenda's values

06



## ETHICS

To guide actions based on respect for the Company's Code of Ethics

07



## DIVERSITY AND SOCIETY

To support differences so that opportunities can be equal, integrating the company with society

08



## INNOVATION

To engage in innovation and the digital transformation

09

# Thank you



## Investor Relations

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