



## 3Q20 Results Webinar

October 29, 2020

# Agenda

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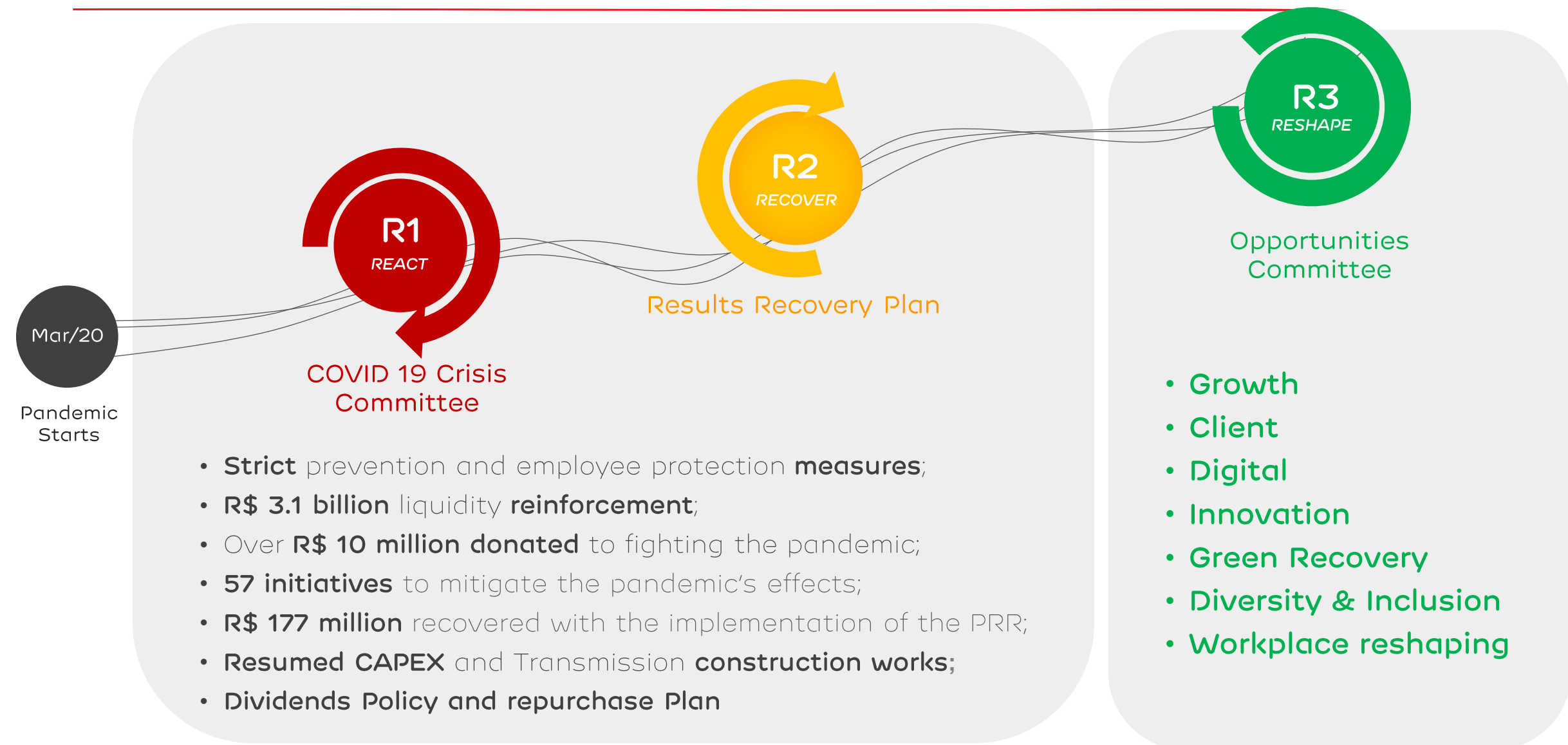


3R Strategy: React, Recover and Reshape

Quarter's Results

ESG Agenda

# In the light of the Pandemic, EDP defined 3 action phases React, Recover and Reshape



# Agenda

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3R Strategy: React, Recover and Reshape











Quarter's Results

ESG Agenda

# Quarter's Highlights



- ✓ Integrated Hydro generation and trading Management with **positive results in the quarter**;
- ✓ Resumed **dispatching from Pecém** on September 27;
- ✓ Trading **Mark-to-Market**.

- ✓ Partnership with, will enable **renting 100% electric cars**; 
- ✓ **1MWP solar power plant** installed for Johnson & Johnson 
- ✓ Installation of **Brazil's 1st public ultra-fast charging station**;  
       
- ✓ EDP named **most innovative company in the electric energy sector** by Valor Inovação Brasil.



Generation,  
Trading



Transmission



Distribution



Services and  
Innovation



Operational and  
Financial  
Performance

- ✓ **Resumed construction** after pandemic-related stoppages;
- ✓ **79% of Capex** executed.

- ✓ Tariff adjustment with Parcel B up by **+2.55%** at **EDP ES** **+21.0%** at **EDP SP**;
- ✓ Acquisition of CELESC shares for a total **29.9% equity stake**;
- ✓ **PECL** under control and resumed **anti-delinquency disconnections**.

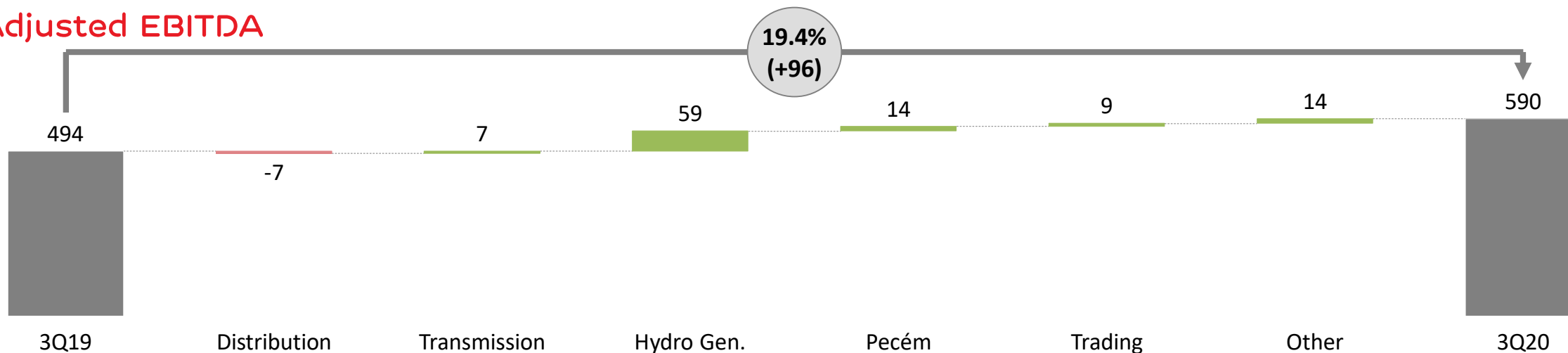
- ✓ Net Debt-to-EBITDA at **2.0x**;
- ✓ Efficient costs control with **PMTO down -7.3%**;
- ✓ Shares repurchase underway, with **3.0 million shares acquired** so far.

# Book and Adjusted EBITDA for the quarter

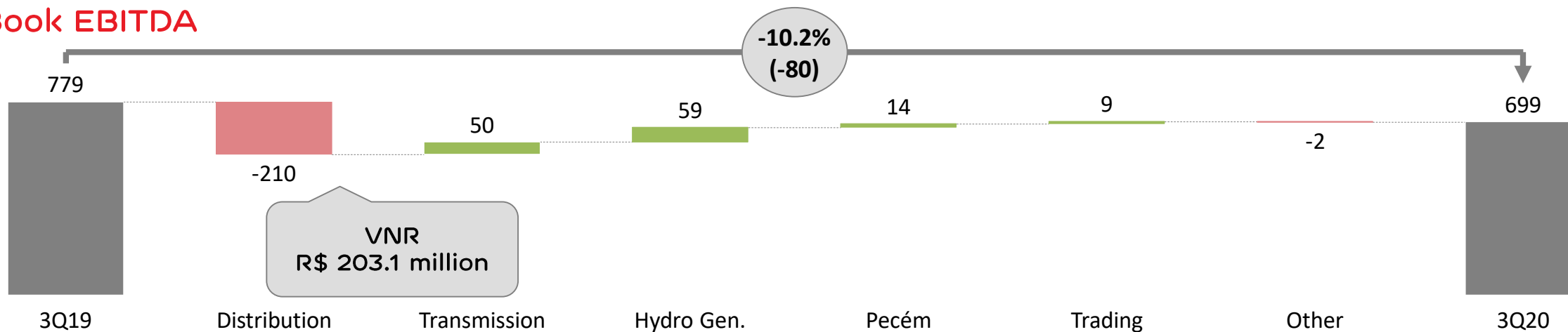


R\$ million

## Adjusted EBITDA



## Book EBITDA

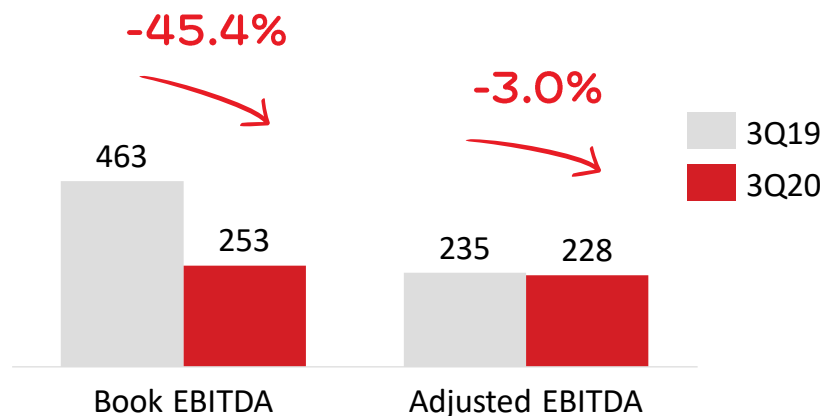


# Adjusted EBITDA, Distribution



## EBITDA

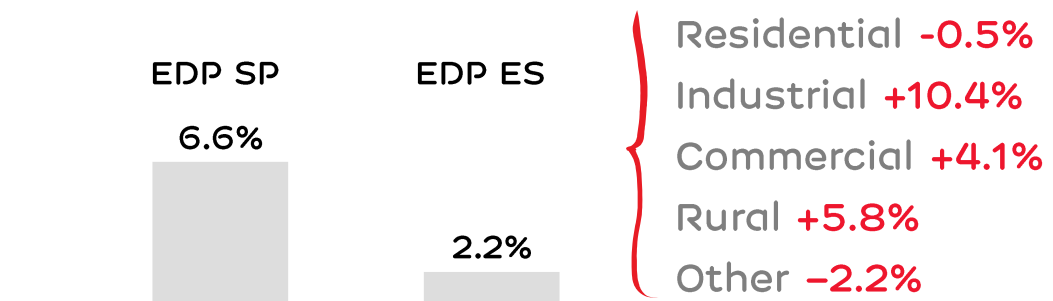
R\$ million



### Adjustments:

✓ Period VNR : -R\$ 203.1 million

## Market (3Q20 x 2Q20)



## Gradual consumption recovery

### Total Losses

✓ SP: Slight increase, up 50 GWh  
✓ ES: Recovered 59 GWh

### Executed CAPEX

✓ Up 8% advancing substation and grid upgrade works

### Improved digital-channel service

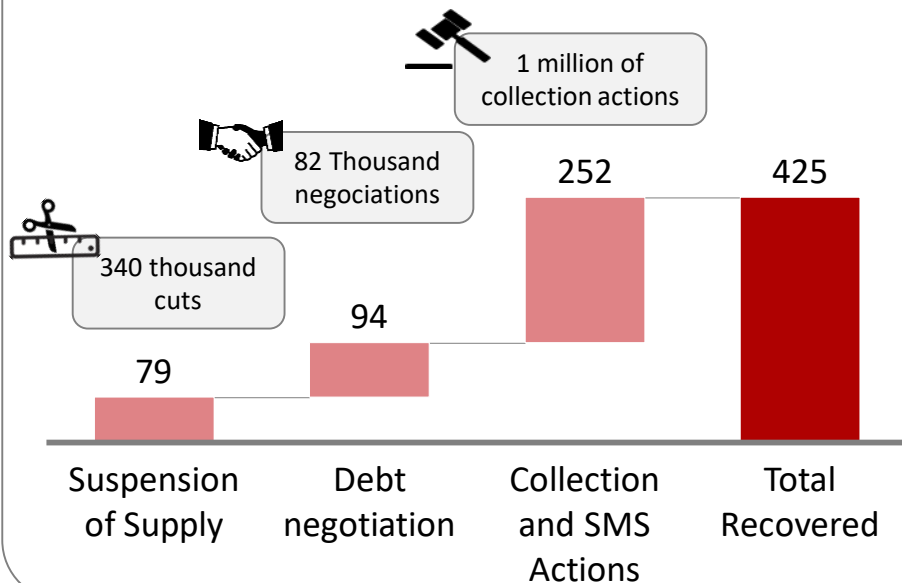
✓ Advancing process digitalization, in particular for service channels, reflected as a 43% increase in digital service tools.

# Measures to ensure collecting

## Steps taken since the pandemic began

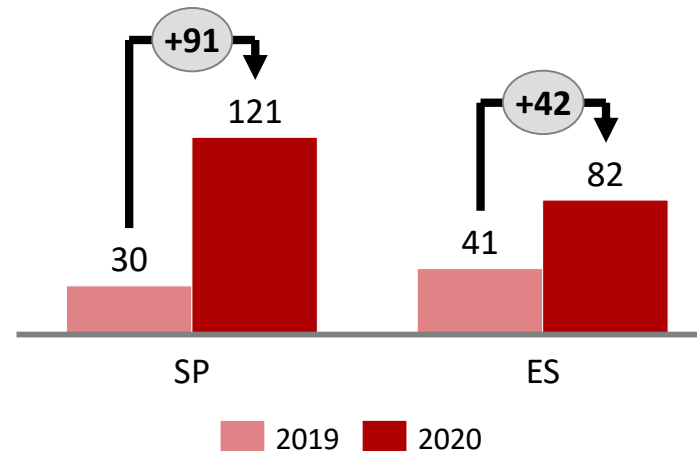


Revenue Recovered  
by type of action  
R\$ million



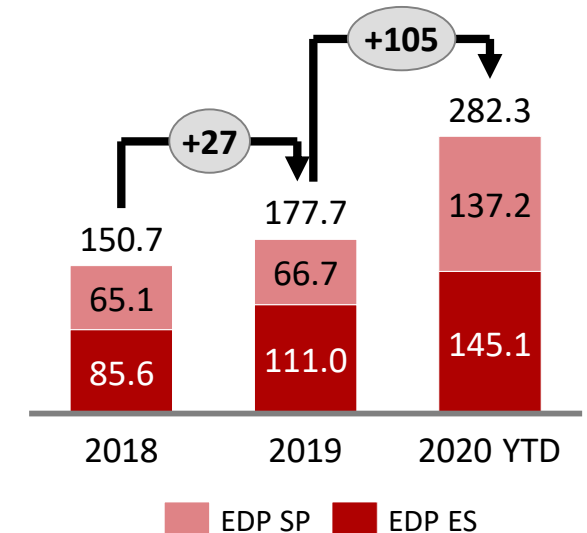
425 million  
of revenue recovered since the  
start of the pandemic

Efficiency in Revenue  
Recovery  
R\$ Recovered for each  
R\$ Invested



Greater Efficiency  
of the Process  
Combating Default

Evolution of the Customer  
Base with Social Tariff  
Quantity thousand



Increase of the customer base with  
social tariff to minimize the  
impacts of default



# Distribution Companies' Annual Tariff Adjustments



EDP São Paulo

|                                       |                     |
|---------------------------------------|---------------------|
| Average effect perceived by consumers | 4.82%               |
| Total Parcel B:                       | R\$ 1,197.9 million |
| Parcel B:                             | 21%                 |
| IGP-M (12-month to Sep/20):           | 17.94%              |
| Technical Losses                      | 4.06%               |
| LV Non-Technical Losses               | 8.30%               |



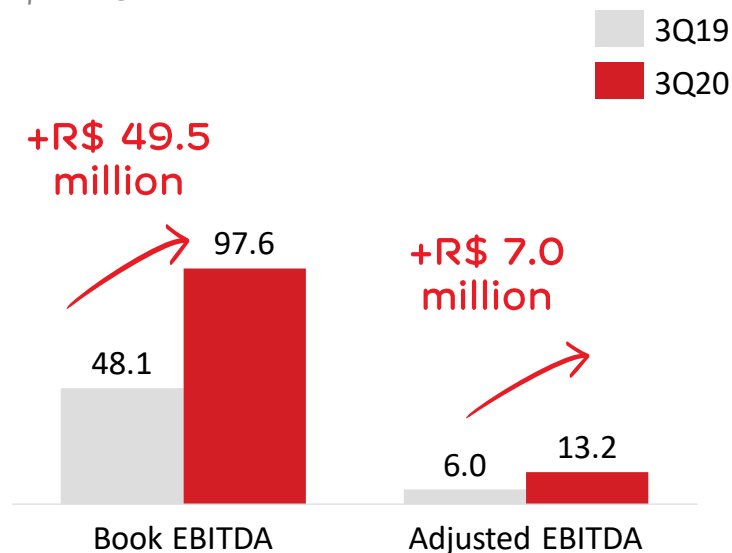
EDP Espírito Santo

|                                       |                     |
|---------------------------------------|---------------------|
| Average effect perceived by consumers | 8.02%               |
| Total Parcel B:                       | R\$ 1,003.8 million |
| Parcel B:                             | 2.55%               |
| IGP-M (12-month to Jul/20):           | 9.27%               |
| Technical Losses                      | 7.06%               |
| LV Non-Technical Losses               | 10.12%              |

# Transmission works status

## EBITDA

R\$ million



- ✓ 79% of CAPEX executed;
- ✓ R\$ 3.0 billion Invested so far;
- ✓ 6 projects: 1,441 km (R\$ 3.8 billion total CAPEX).
- ✓ RAP: R\$ 582.8 million total revenues
- ✓ NPV > R\$ 1 billion;



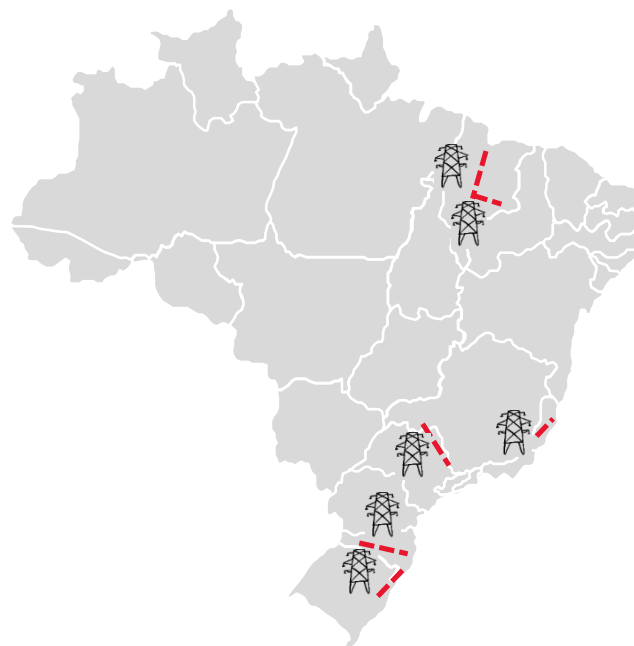
## Construction Evolution<sup>1</sup>

- 85% Lot 07 (MA I)
- 68% Lot 18 (SP-MG)
- 77% Lot 21 (SC)
- 22% Lot Q (SC-RS)



## Operational Lots

- ✓ Lot 24 (ES): RAP R\$ 24 million
- ✓ Lot 11 (MA II): RAP R\$ 33 million

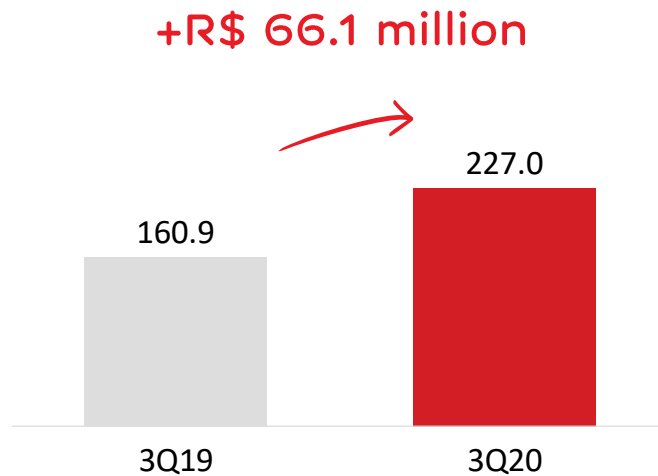


# Integrated Management of Hydro Generation and Trading



## EBITDA Hydro Generation + Trading<sup>2</sup>

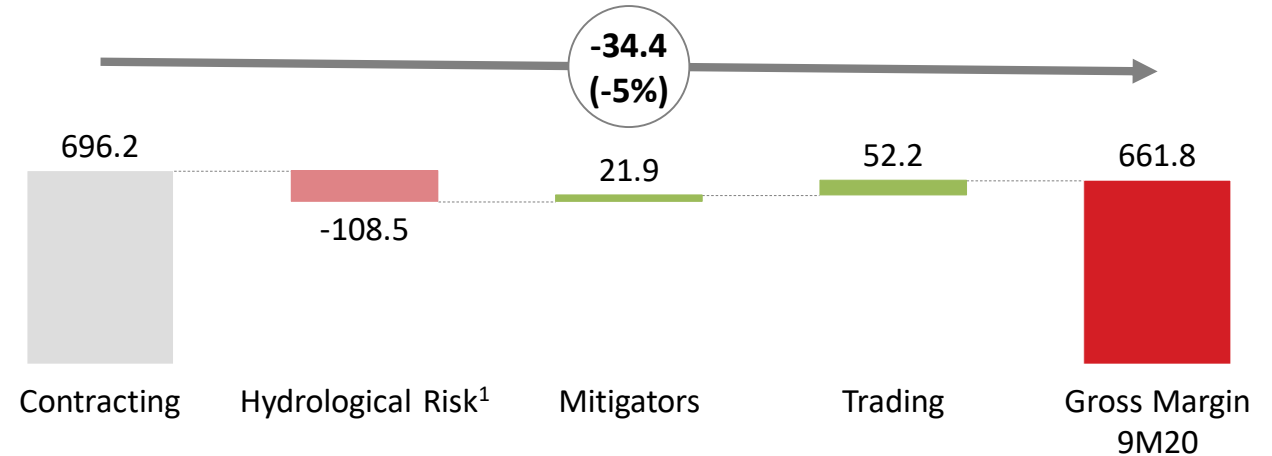
R\$ million



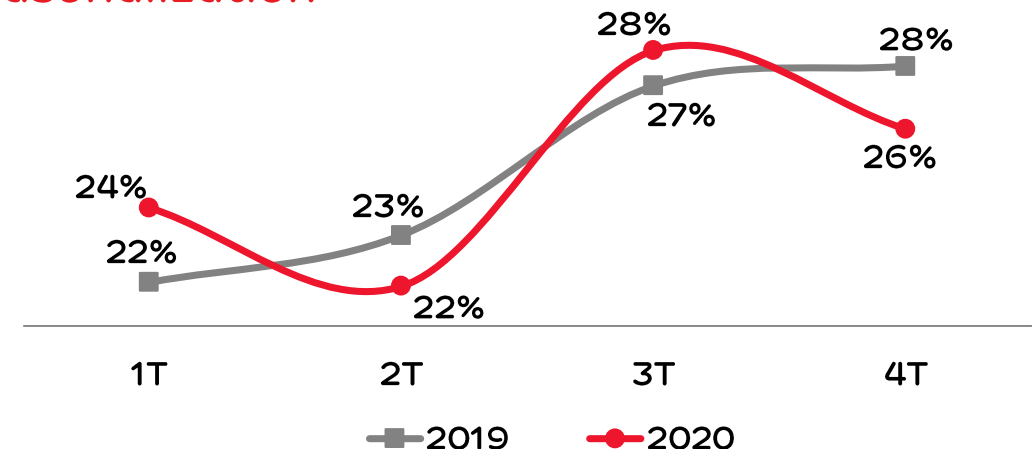
|     | 3Q19      | 3Q20     |
|-----|-----------|----------|
| GSF | 52.2%     | 66.0%    |
| PLD | R\$ 214.1 | R\$ 91.7 |

## Gross margin Breakdown

Hydrological Risk Management 9M20



## Seasonalization

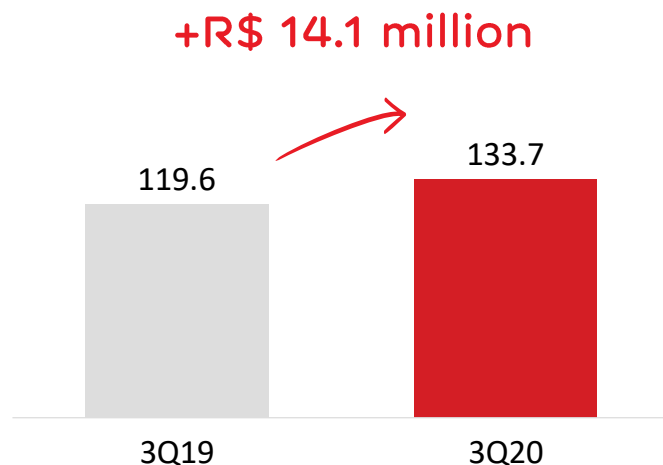


# Pecém EBITDA up with uptime above the FID



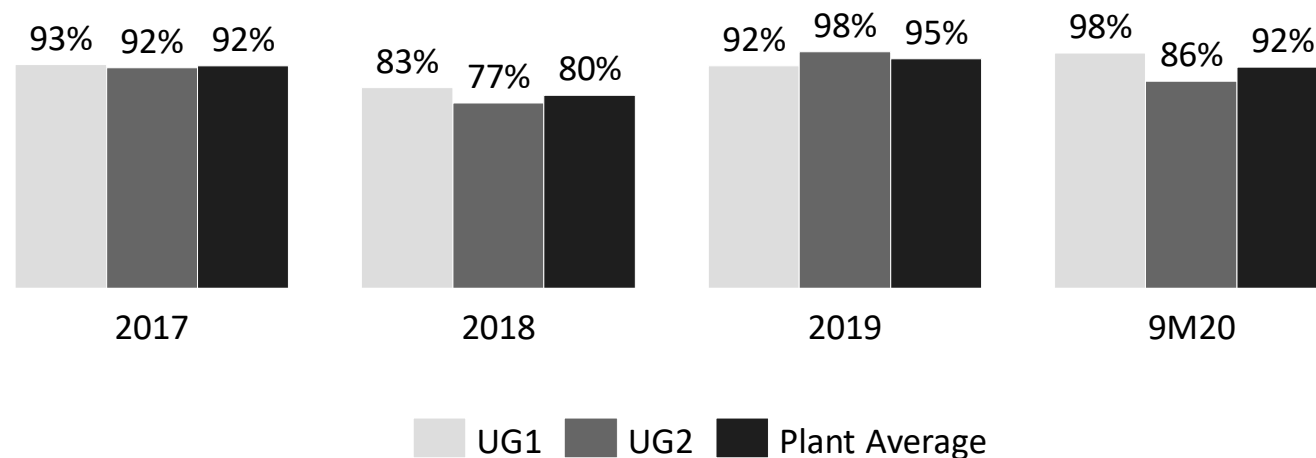
## EBITDA

R\$ million



- ✓ Annual fixed revenue adjustment;
- ✓ PMTO down 2.7% due to reduced maintenance.

## Uptime



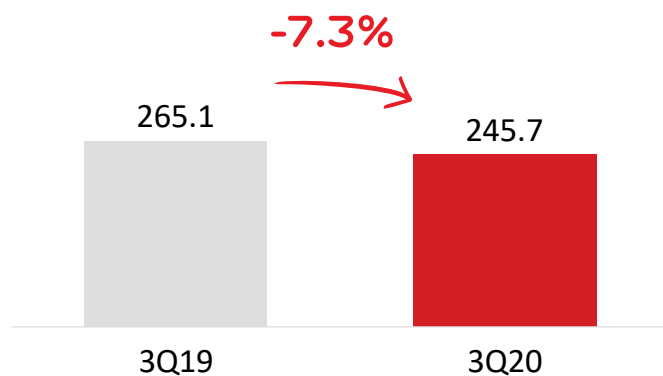
- ✓ The Plant's average uptime in the year has been 91.8%;
- ✓ Dispatching from the Plant resumed in late September.

# Strict costs control continues



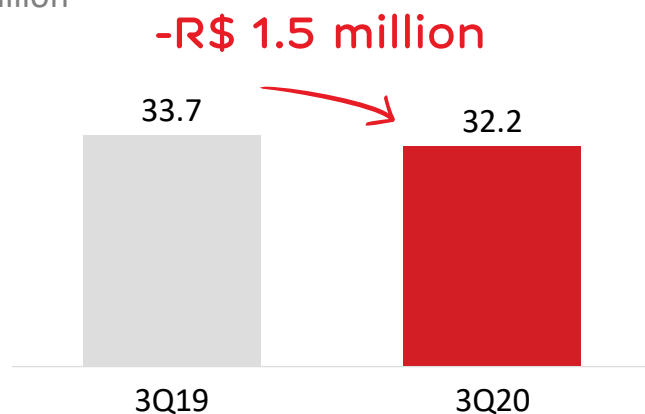
## Recurring PMTO (ex- PECLD)<sup>1</sup>

R\$ million

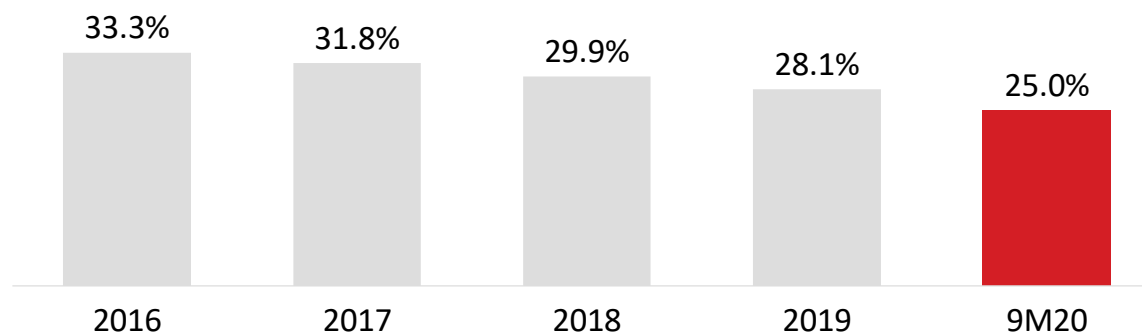


## PECLD

R\$ million



## OPEX/Gross Margin<sup>2</sup>



✓ **Additional** credit risk due to the pandemic's effects.

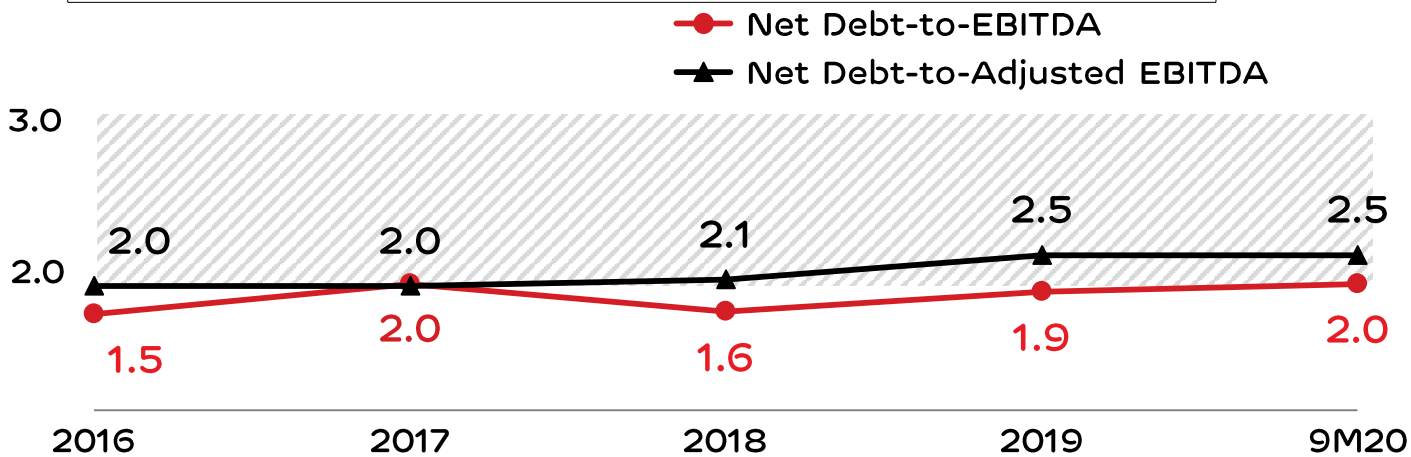
✓ PECLD/Gross Revenues at **1.1%** in 3Q20 and **1.2%** in 9M20.

<sup>1</sup> Excludes Adjustment for IFRS16 booking, New Business – B2C, Solar, Transmission, EDP Varejista, EDP Ventures, GRID and Soluções, Pecém Maintenance and PIS/COFINS credit. <sup>2</sup> Recurring OPEX.

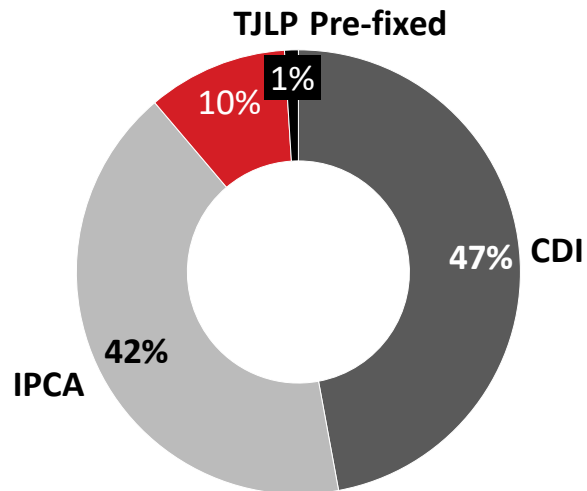
# Leverage: Strategic Rationale



## Net Debt-to-EBITDA<sup>1</sup>



## Gross Debt by Index

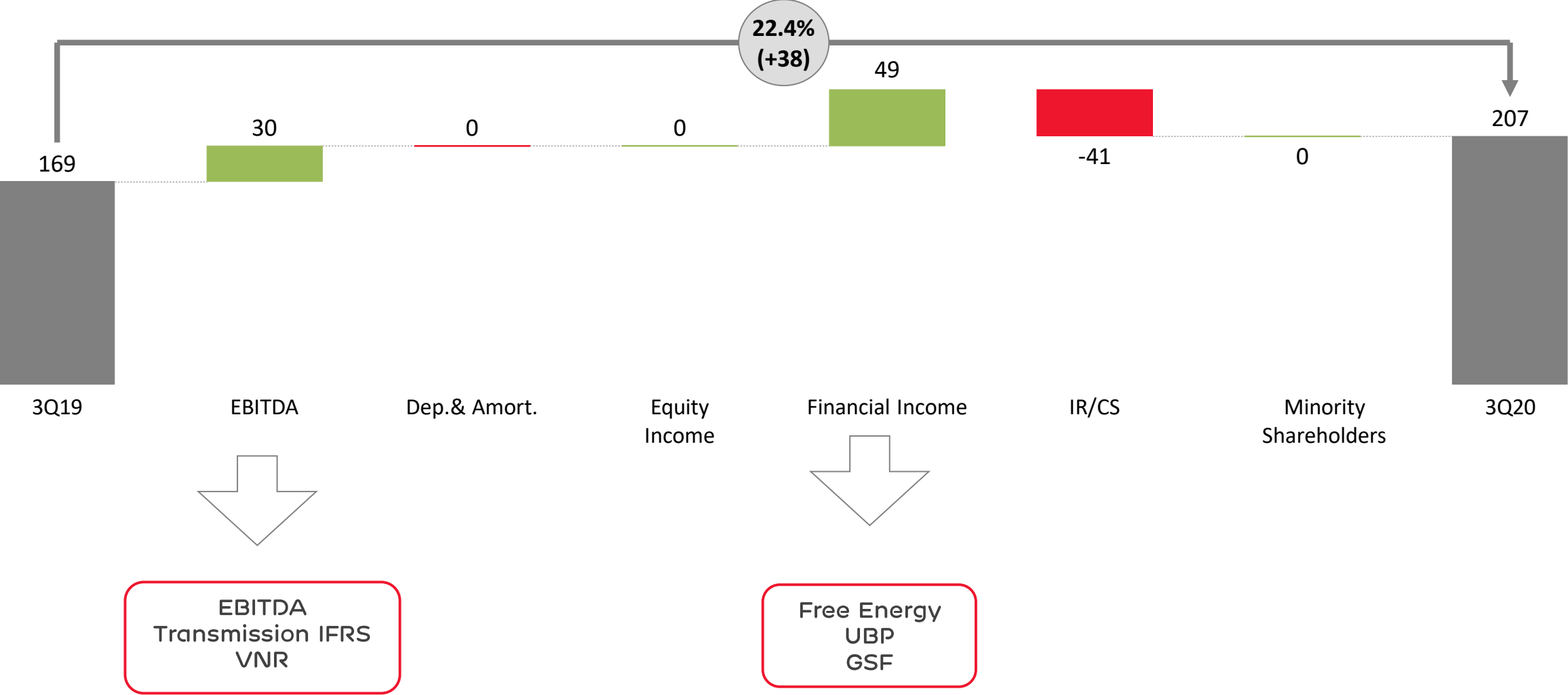


- ✓ Leverage: ND-to-Adjusted EBITDA<sup>1</sup> **TARGET: 2.5x - 3.0x and Minimum: 2.0x;**
- ✓ Balanced exposure to indices;
- ✓ Debt allocation to operational companies **(tax benefit);**
- ✓ **Anticipated negotiation** of short-term debt due;
- ✓ **Early repayment of debt** with cost in excess of EDP's risk.

# Adjusted Net Income



R\$ million



# Agenda

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## Environmental



## Social

### Goals and pledges 2020-2022

- **20% women** in Leadership & **30% Overall**
- **50% diversity hires**
- **R\$ 1 million** invested in **development programs** for diversity groups and
- **R\$ 600 thousand** in **skills-building**



## Governance

- Board of Directors **Parity 5** Advisory Committees

(i) Audit; (ii) Compensation; (iii) Sustainability; (iv) Diversity & Inclusion and (v) Governance & Related parties

- Approval of adjustments to the **Dividends Policy** in line with **minority shareholders' interests**
- **Share repurchase program** under way
- Use of the **3 lines** of defense in **Risk Management and Internal Controls** as defined by **IIA Global**





## **Investor Relations**

**[ri@edpbr.com.br](mailto:ri@edpbr.com.br)**

**+55 11 2185-5907**

**[www.edp.com.br/ri](http://www.edp.com.br/ri)**