



# Results Webinar

## 3Q21

October 26, 2021

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# Main Highlights of 3Q21



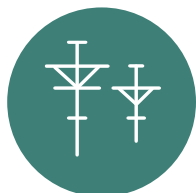
## FINANCEIRO

- EBITDA of **R\$ 1.1 billion, +60.7%** and Net Income of **R\$ 510.5 million, +70.3%**;
- Net Debt/Adjusted EBITDA of **2.7x**; and
- Recurring PMSO of **3.7%**, below inflation.



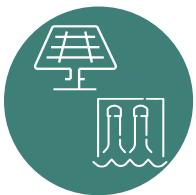
## DISTRIBUTION

- **Gross Margin** increased by **36.1%**;
- **Tariff adjustment** with an increase in **Parcel B** by **46.08%** for EDP ES and **32.59%** for EDP SP; and
- **Reduction** of **0.38 p.p.** at EDP SP and **0.29 p.p.** at EDP ES in **total losses** vs. 2Q21;
- **OPEX/ Gross Margin**: 47% to 36% (YTD); and
- EBITDA + **R\$ 100 milhões.**



## TRANSMISSION

- **Sale** of **3** transmission **lots** – **EV: R\$1.3 billion** EDP Transmissão S.A. ("**Lot 24**") ; EDP Maranhão I S.A. ("**Lot 7**") ; and EDP Maranhão II S.A. ("**Lot 11**") ;
- **CELG-T Acquisition** R\$ 2.0 billion;
- **Start of operation** of Lots Q, 7 and 21 since the beginning of the year; and
- Regulatory EBITDA + **R\$ 37 million.**

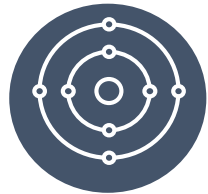


## GENERATION / TRADING AND SOLAR

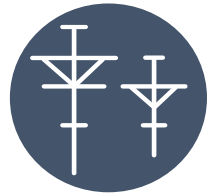
- **Adherence** to the Hydrological Risk Renegotiation in the **ACR**;
- **Mitigation of hydrological risk** with seasonality and integrated management via Trading;
- **Strategy** of coal purchase in **Pecém**; and
- Development of the **Solar Monte Verde** project, in partnership with **EDP Renováveis.**

# Consistency of investments in line with the 2021-2025 business plan

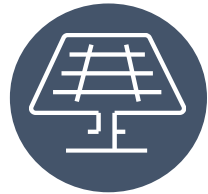
**9M21**



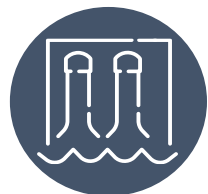
Distribution  
**R\$ 780.1 million**



Transmission  
**R\$ 798.1 million**



Solar Generation  
**R\$ 212.2 million<sup>1</sup>**

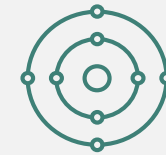


Hydro and Thermal  
Generation  
**R\$ 27.6 million**

**TOTAL: R\$ 1,8 billion**

**2021**

**~R\$ 2.1  
billion**



Strengthening  
in organic  
investment



Lots under  
constructions



Solar  
Generation

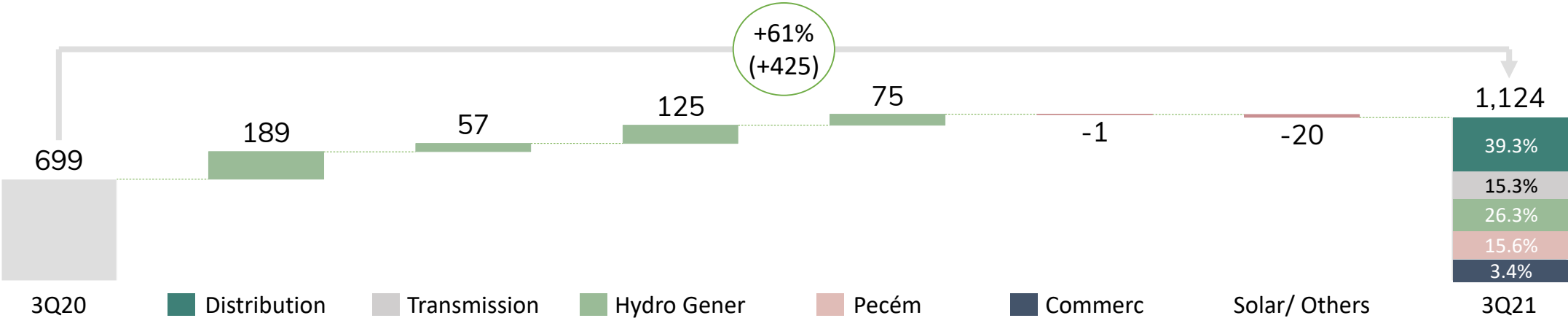


Recurring  
Investments

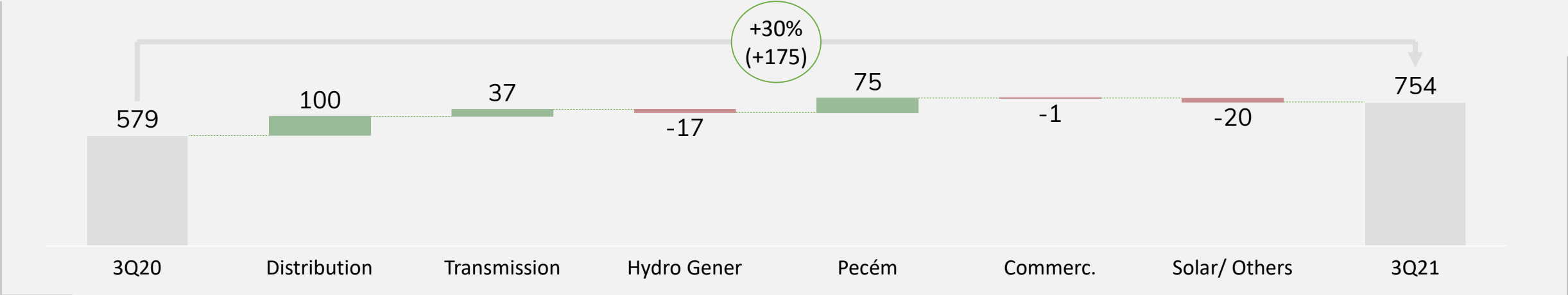
<sup>1</sup> Considers the acquisition of Blue Sol and the portfolio of AES Inova

# Solid EBITDA proving growth results

R\$ million



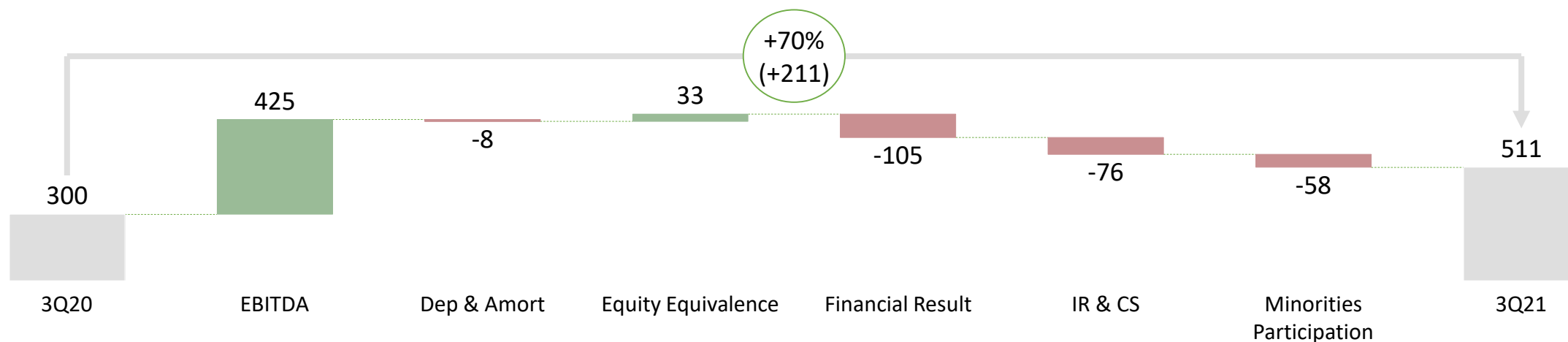
## Adjusted<sup>1</sup>



<sup>1</sup> Does not consider IFRS, transmission, VNR and other non-recurring items.

# Net income demonstrating value crystallization in all business segments

R\$ millions



## EBITDA

- ✓ **Hydro:** annual adjustment of contracts and volume; and ACR Renegotiation recognition (+141.6 million)
- ✓ **Transmission:** start of operation of **Lot 7**;
- ✓ **Distribution:** tariff effect, market; and ES tariff adjustment.
- ✓ **Commercialization:** MTM.
- ✓ **Thermal:** hedge strategy in purchase of coal.

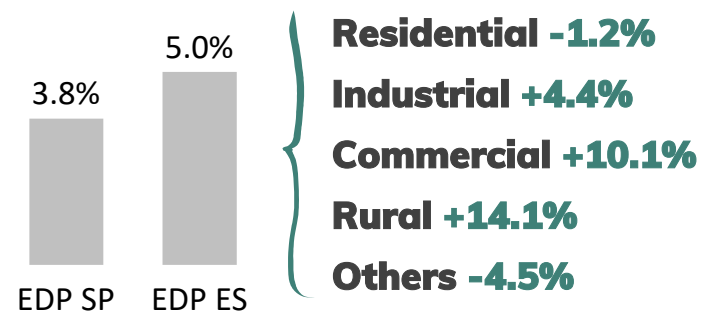
## Net Financial Result

- ✓ **Charges:** IPCA increase
- ### Equity Equivalence
- ✓ **Celesc:** Tariff impact and OPEX reduction.

# Distribution

## Volume

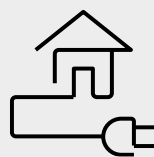
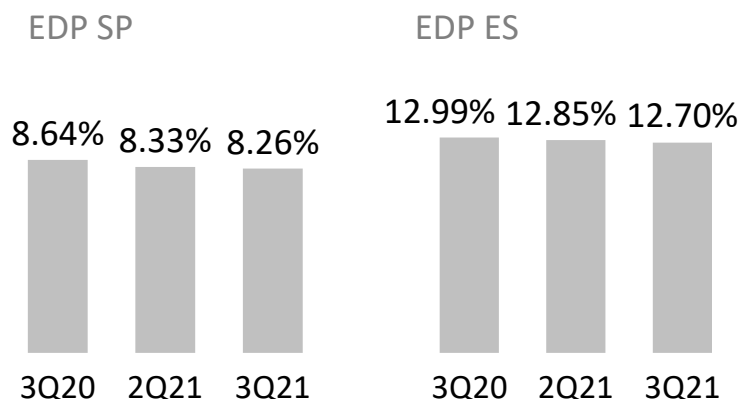
(3Q21 x 3Q20)



- **Recovery** of the economy in **industrial, commercial** and **rural** activities.

## Losses<sup>1</sup>

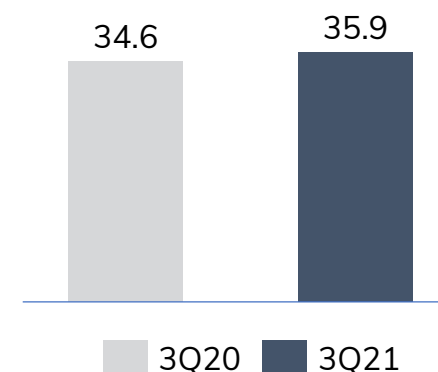
(%)



- **Losses Combat Plan** and **improvements** in the network.

## Revenue Recovery per invested real

(R\$)



- Efficient **cost control** and **revenue recovery**.

<sup>1</sup> Regulatory target total EDP SP loss of 7.02% and EDP ES of 11.56%

# Annual readjustment of distributors

## EDP São Paulo



Average effect perceived  
by consumers

12.39%

Total Parcel B

R\$ 1.588 million

Parcel B

32.59%

IGP-M  
(12-month to Sep/21)

24.86%

Total losses

6.83%

## EDP Espírito Santo



Average effect perceived  
by consumers

9.75%

Total Parcel B

R\$ 1.466 million

Parcel B

46.08%

IGP-M  
(12-month to jul/21)

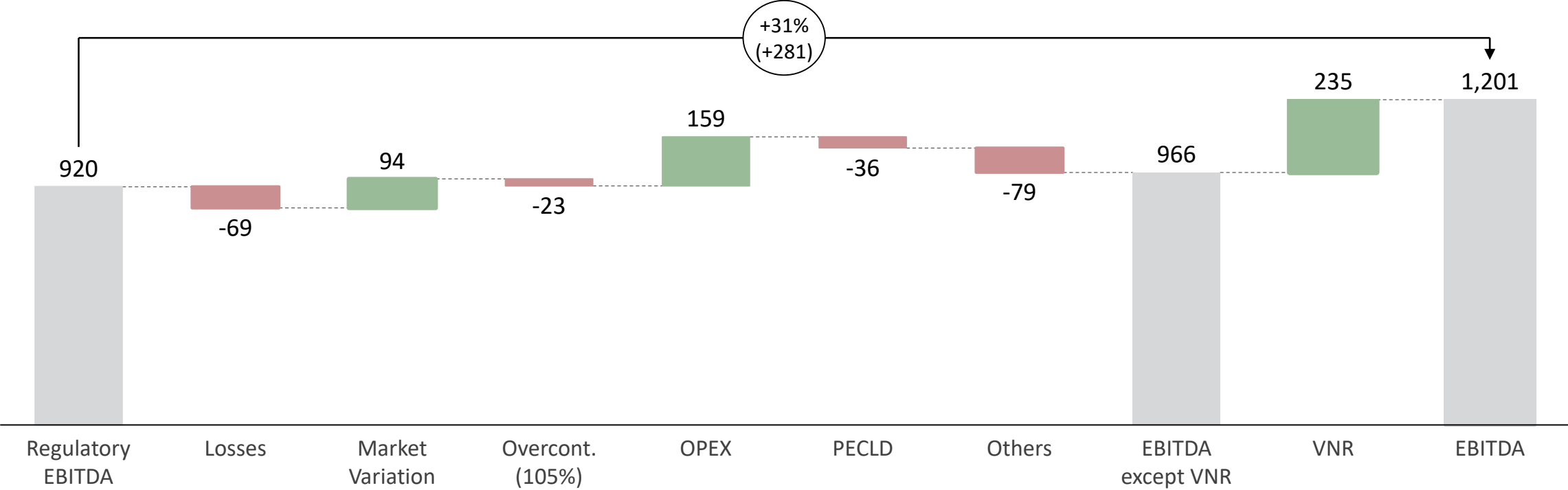
33.75%

Total losses

11.30%

# Distribution Consolidated : Regulatory EBITDA vs Accounting-Accumulated 9M21

R\$ million

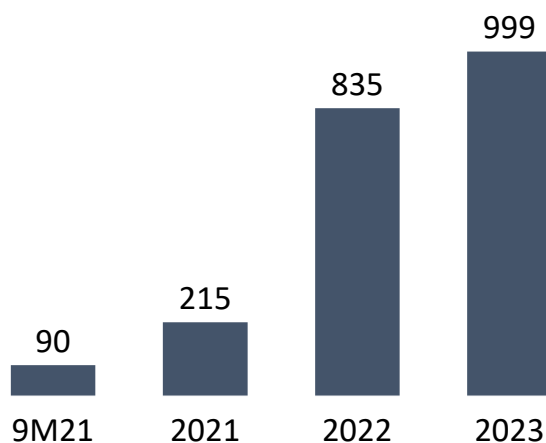




# Transmission

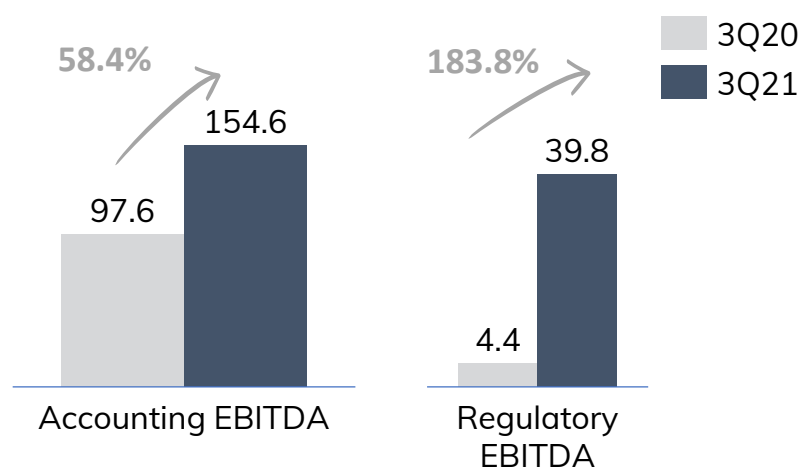
## Net Revenue<sup>1</sup>

(R\$ million)



## EBITDA

(R\$ million)



- **R\$ 4.0 billion** of expended CAPEX (8 lots);
- **88%** Executed Capex (8 lots);
- RAP<sup>2</sup>: **R\$ 749.0 million.**



- **Full operation** of **Lot 7**;
- **Sale** of **3** transmission **lots**; and
- CELG-T **acquisition**

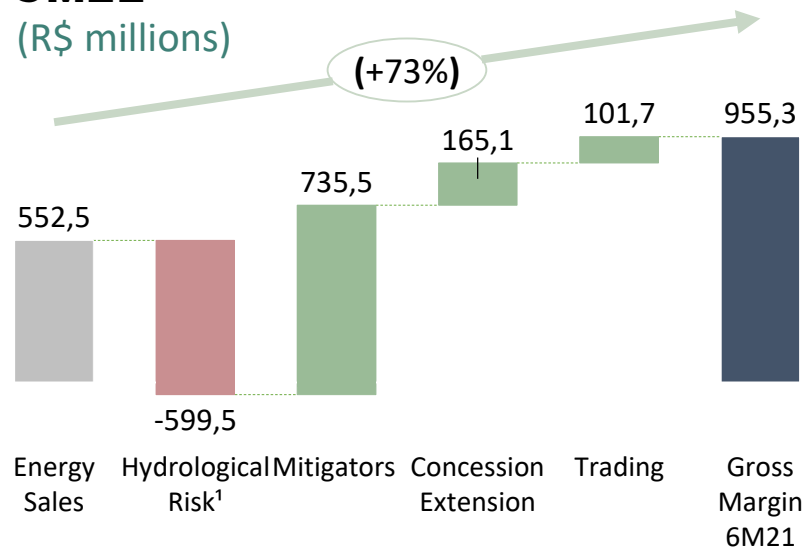


- Lots with **Regulatory EBITDA** : **24, 07, 11, 21** and **Q**.

# Hydro Generation and Commercialization: Integrate Management

## Gross Margin Composition – 9M21

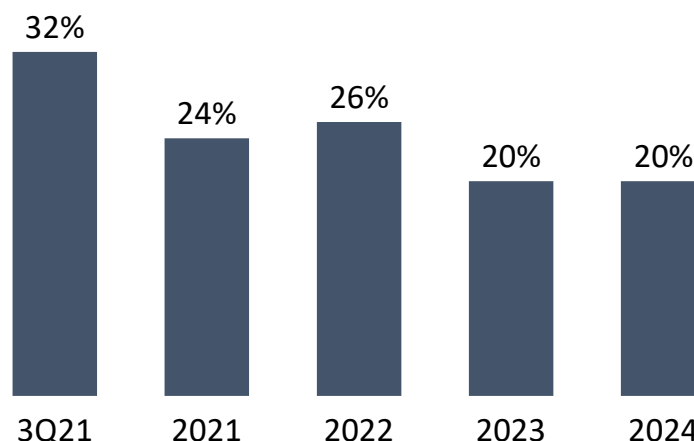
(R\$ millions)



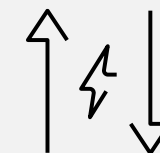
- **100%** hydrological risk **mitigation**;
- Hydrological Risk **Renegotiation** - **ACR+ ACL**.

## Hydro Plants Hedge

(%)



- **Hedge – Portfolio Protection**



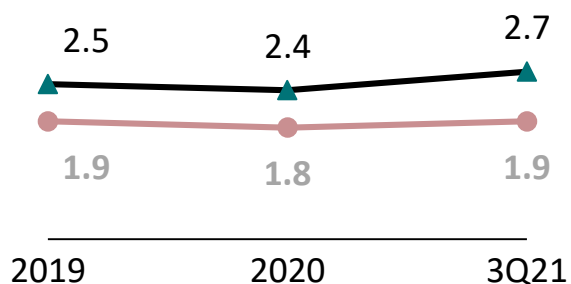
## Portfolio Protection:

- ✓ Uncontracted **Physical Guarantee**;
- ✓ Purchase of energy for **additional hedge (32% quarter)**; and
- ✓ GSF **renegotiation**.

# Leverage

## Net Debt / EBITDA

(x)



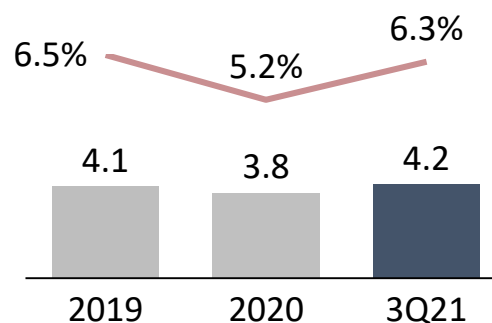
- Net Debt / EBITDA
- Net Debt / EBITDA Adjusted



• Leverage between  
**2.5x - 3.0x.**

## Average cost and term

(%)

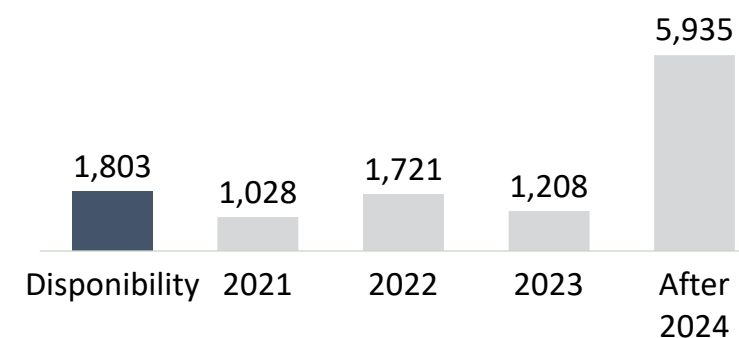


- Average Cost After Tax
- Average term (year)

- Increase of the **average cost** after tax due to the increase in the **IPCA**.

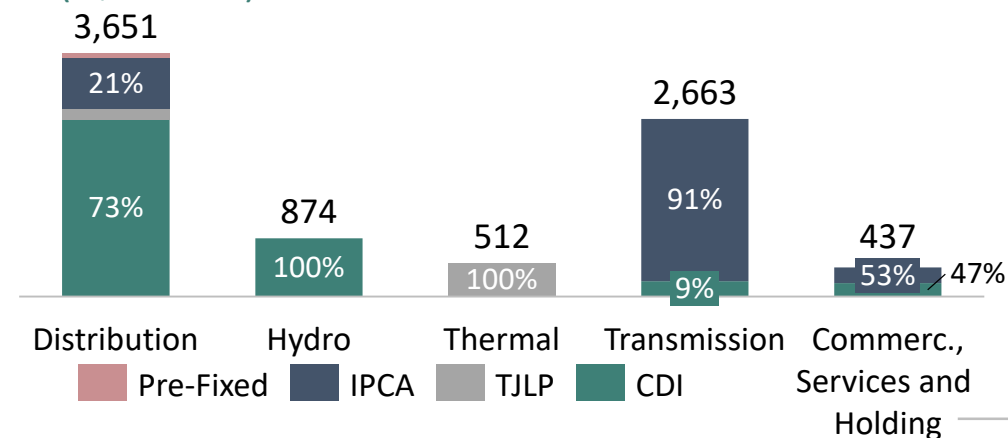
## Debt amortization flow

(R\$ million)



## Gross debt and index by business

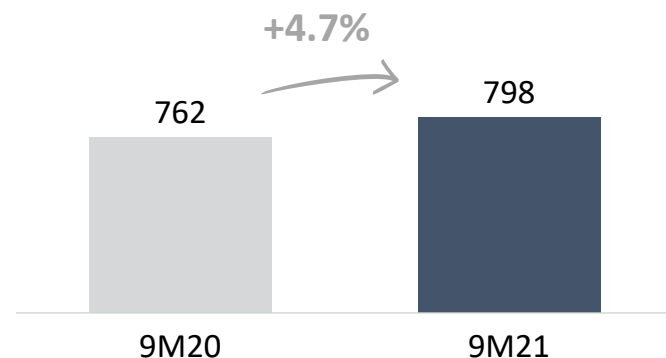
(R\$ million)



Fundraising of  
**R\$3.3 billion**  
9M21

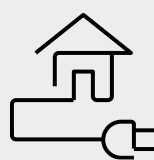
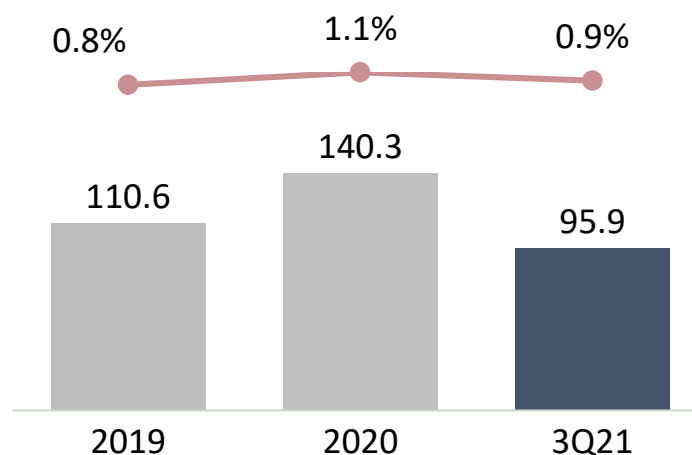
# Strict cost control, keeping it below inflation

## PMTO(without PECLD) Recurrent<sup>1</sup> (R\$ million)



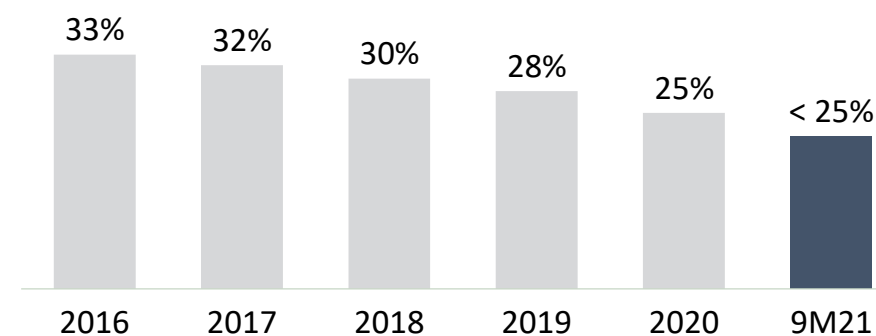
- Recurring PMSO **below inflation.**

## PECLD Distributors (R\$ million and %)



- **Reduction of PECLD**, in over the periods.

## OPEX/Gross Margin<sup>2</sup> (%)



- Consistent **Cost Control.**

- Investment in **Monte Verde (209 Mwac)**.

- **EDP Solidarity Public Call 2022:**
- **R\$ 7,6 million** in resources for social organizations in **7** states.

- **Transparency Trophy**, for **8<sup>th</sup> time** in a row from ANEFAC.

- **1<sup>st</sup> school** of electricians for **women in ES;**
- **+ 3.400** applications;
- **32 selected** candidates

- Highlight among the **14 most transparent companies in sustainability**, according to the **Transparency Observatory**.



# Inauguration of the new corporate headquarters

edp

- **Lapa**, São Paulo.
- + 10,000 **m<sup>2</sup>**
- **600** workstations;
- **Innovative** and **sustainable** space.



## Hybrid Model

A model that strengthens the **balance** between **in-office** and **remote work**.

Following all **safety protocols**

# 2021 Focus

## GROWTH

Strengthening investments in the core segments

- ✓ **Capex** of R\$1.8 billion – 9M21;
- ✓ CELG-T **acquisition**;
- ✓ **Investment** in Blue Sol, Inova and Monte Verde.

## FUTURE BUSINESS

Inovability positioning as a leader in the energy transition

- ✓ Market **liberalization**;
- ✓ **Digital** transformation;
- ✓ **E-mobility**.

## FINANCIAL DISCIPLINE

Unlocking shareholder profitability -TSR

- ✓ **Sale** of transmission lots and HPPs;
- ✓ **Dividend Policy**;
- ✓ **2,5x - 3,0x** Net Debt/ EBITDA.

## EFFICIENCY

Capital recycling and maintenance of controlled costs

- ✓ **Fundraising** of **R\$ 3.3** billion;
- ✓ **PMTO** of **4.7%<sup>1</sup>**, below inflation;
- ✓ **Reduction** of total losses.



<sup>1</sup> Refers to the 9-month period.

# Announced Transactions in line with the 2021-25 Strategic Plan and ...

Potential value leverage by reinforcements & improvements  
construction and crystallization of operating assets

## ACQUISITION

Celg-T – R\$ 2,0 billion



**756km**

Line Extension



**14**

Substations



**R\$223MM**

Contracted RAP<sup>1</sup>

**Solar Project under development:  
Monte Verde in partnership with EDP  
Renováveis**



**209 MW<sub>ac</sub>**

## SALE

Lots 07, 11 e 24 – R\$ 1,3 billion

**429km**

Line Extension



**3**

Substations



**R\$131MM**

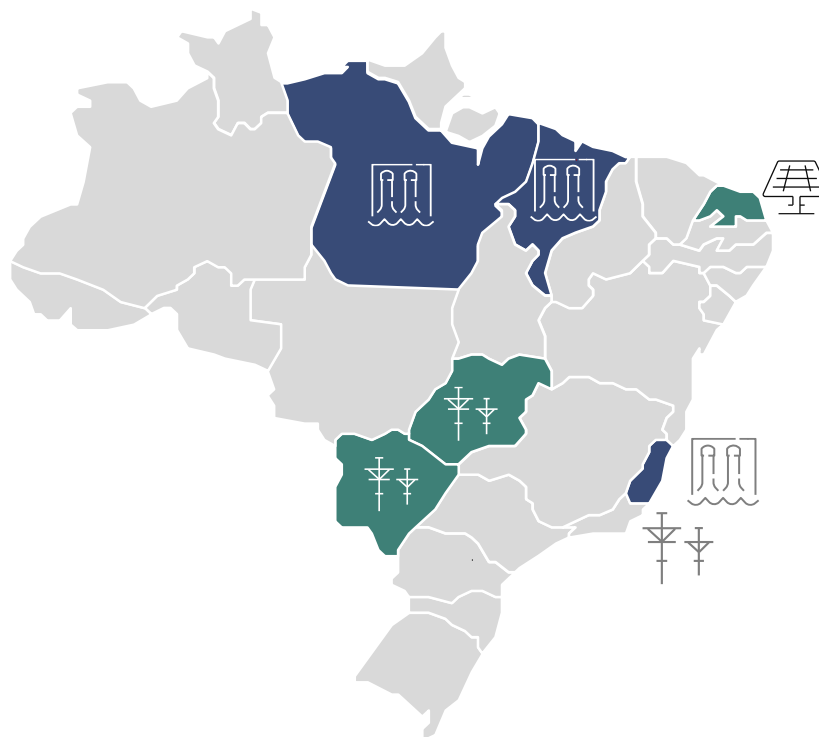
Contracted RAP<sup>2</sup>



**Sales in negotiation Process:  
UHEs Jari, Cachoeira Caldeirão and  
Mascarenhas (Energst)**



**504 MW**





## ...shareholder reorganization

### Cancellation of 25.685.126 shares and opening of a new buyback program



#### Repurchase objective

Maximize the generation of value for the shareholders, given the high levels of profitability obtained with the current share price range



#### Deadline for achievement

Up to 18 (eighteen) months, counted from the date of October 25, 2021



#### Maximum quantity of shares that can be repurchase

**23.558.500**

# Thanks



## Investor Relations

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