

# 1Q18 Results



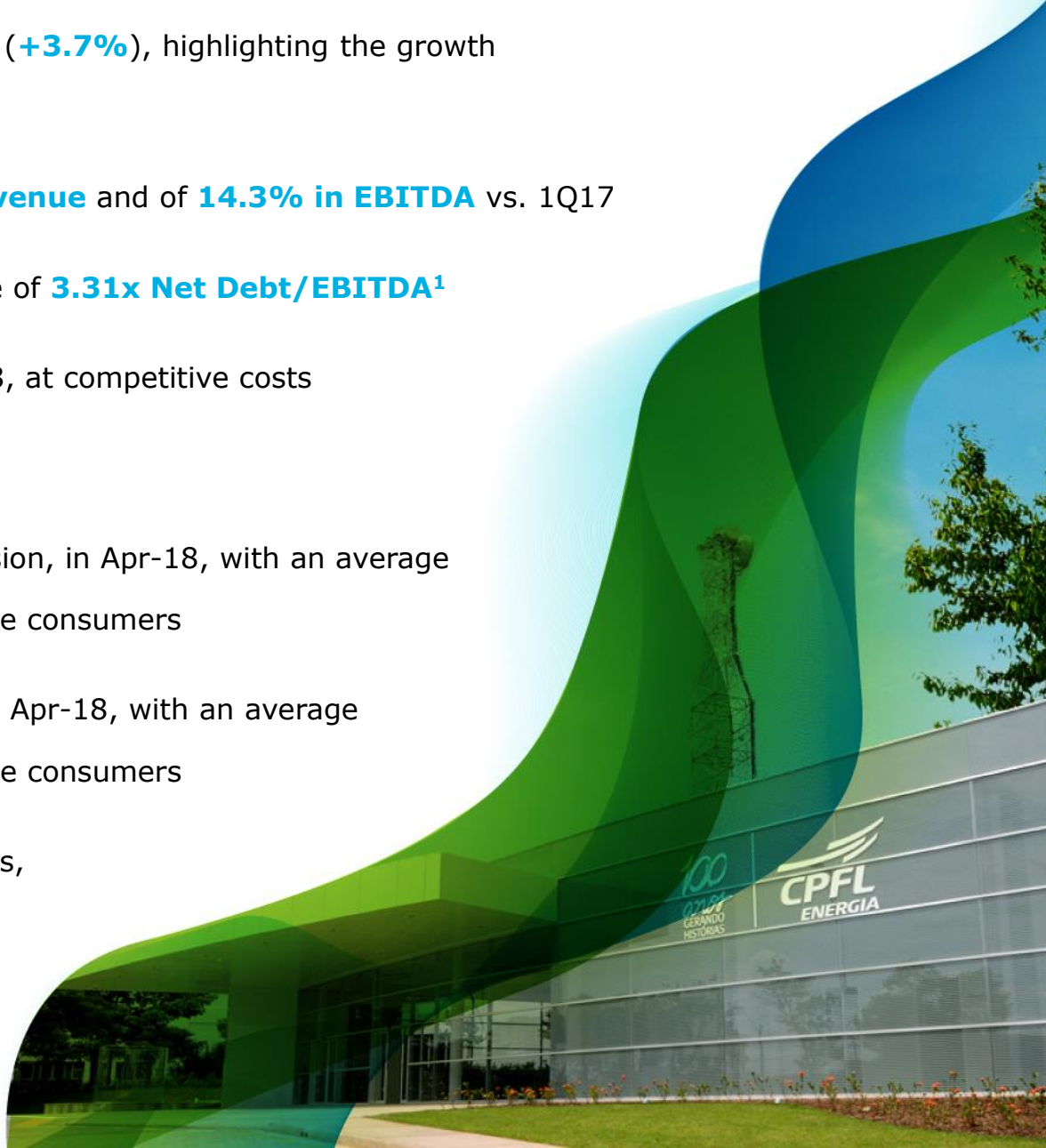
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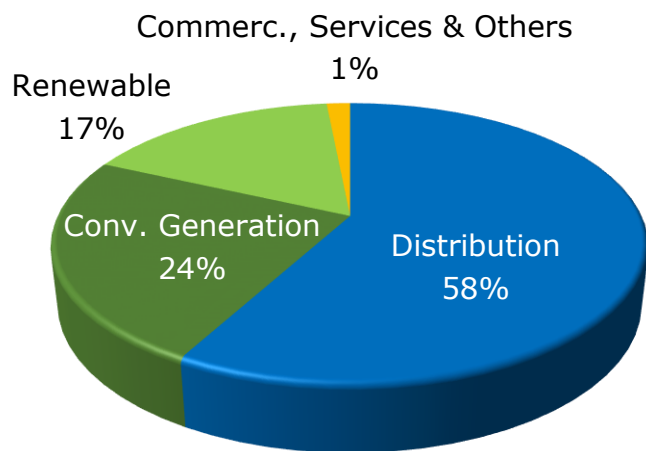
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- ✓ **Increase in load** in the concession area (**+3.7%**), highlighting the growth of the industrial class
- ✓ Growth of **15.1% in Net Operating Revenue** and of **14.3% in EBITDA** vs. 1Q17
- ✓ Net debt of **R\$ 15.6 billion** and leverage of **3.31x Net Debt/EBITDA<sup>1</sup>**
- ✓ Funding totalizing **R\$ 2.8 billion** in 1Q18, at competitive costs
- ✓ Investments of **R\$ 426 million** in 1Q18
- ✓ Conclusion of **CPFL Paulista**'s tariff revision, in Apr-18, with an average effect of **+16.90%** to be perceived by the consumers
- ✓ Conclusion of **RGE Sul**'s tariff revision, in Apr-18, with an average effect of **+22.47%** to be perceived by the consumers
- ✓ **Relevant Sector Issues:** GSF, Eletrobras,  
Law Project and Distribution Segment  
Consolidation

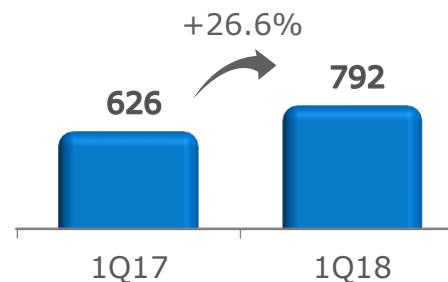


## ► EBITDA<sup>1</sup> Breakdown | 1Q18 | R\$ million

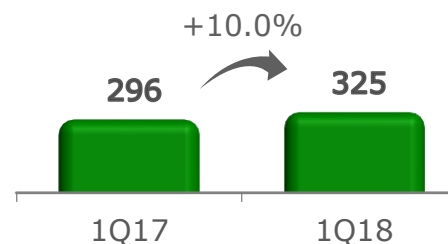


**Total: R\$ 1,366 million**

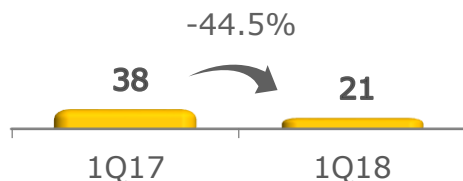
## ► Distribution | R\$ million



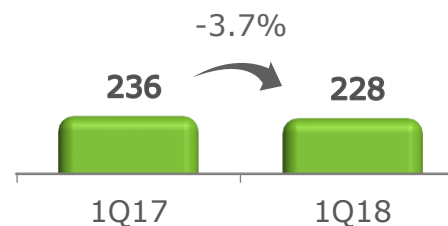
## ► Conventional Generation | R\$ million



## ► Commerc., Services & Others | R\$ million



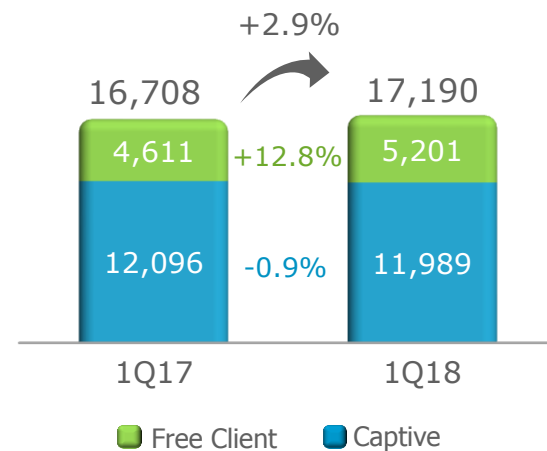
## ► Renewable Generation | R\$ million



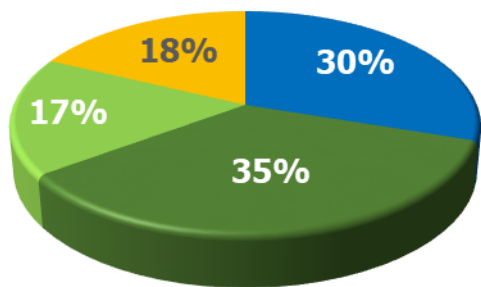
## Highlights

- ✓ **Increase in load<sup>1</sup>** in the concession area (+**3.7%**)
- ✓ **Increase in sales** in the concession area (+**2.9%**)
- ✓ Growth in **Industrial** segment (+**5.8%**), highlighting CPFL Paulista (+**5.6%**) and CPFL Piratininga (+**7.8%**)
- ✓ **Losses:** from **9.23%** in 1Q17 and **9.01%** in 4Q17 to **8.87%** in 1Q18

## ► Sales in the concession area | GWh

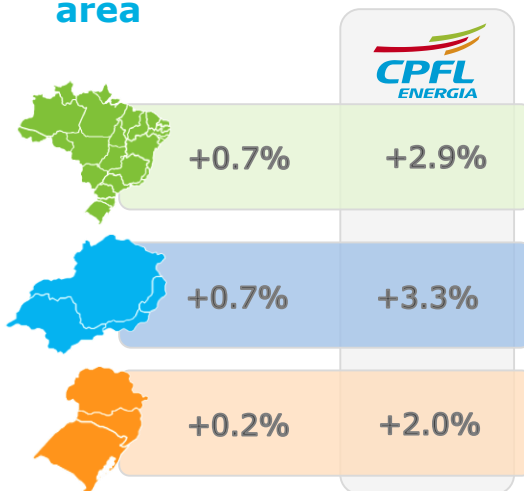


## ► Market Breakdown in the concession area | 1Q18

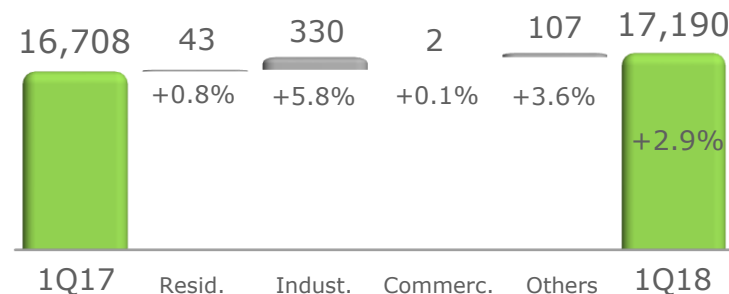


■ Residential ■ Industrial  
■ Commercial ■ Others

## ► Comparison by Region | Sales in the conc. area

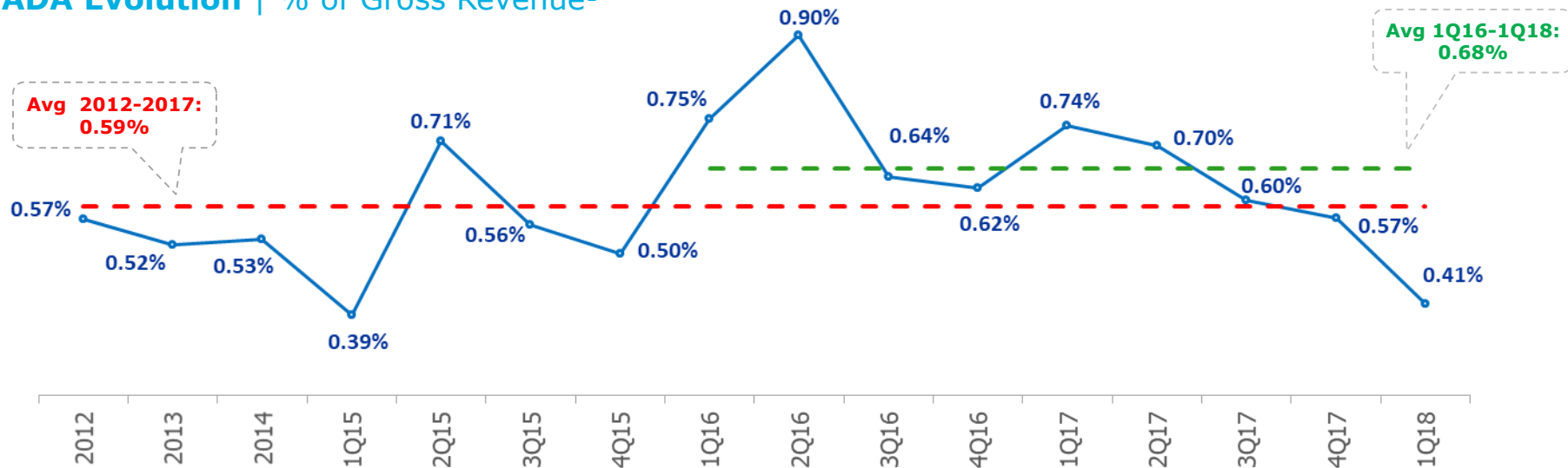


## ► Sales by consumption segment | GWh

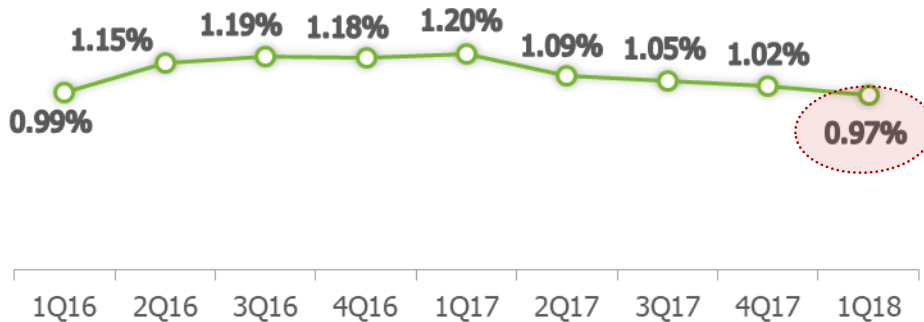


# 1Q18 Delinquency

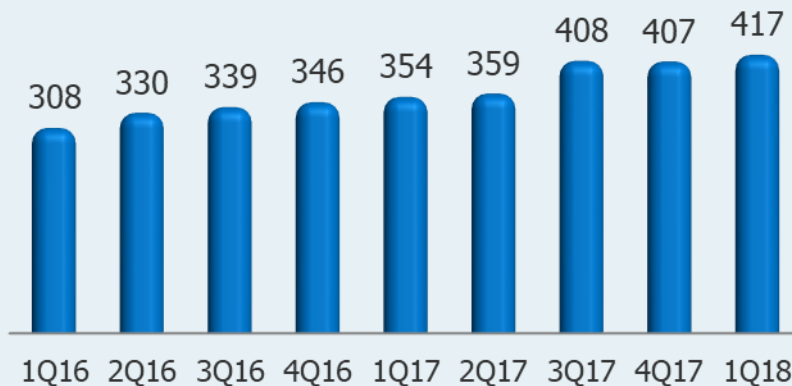
## ► ADA Evolution | % of Gross Revenue<sup>1</sup>



## ► Total (R\$) Overdue Bills – Above 90 days | in % of revenues – LTM<sup>2</sup>



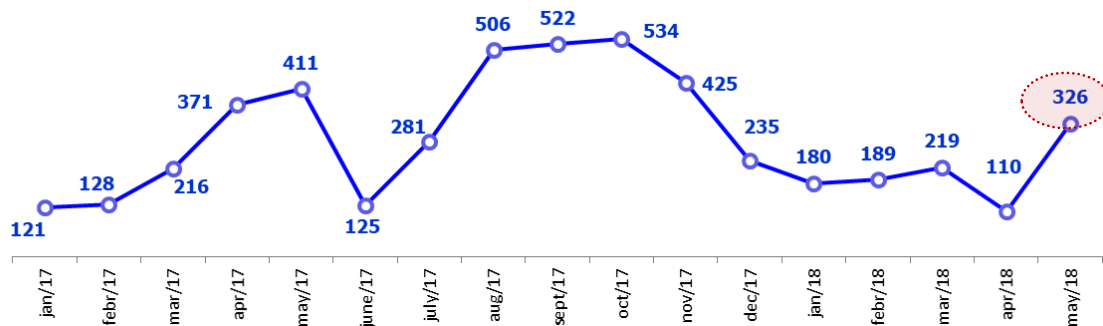
## ► Collection actions | Cuts (thousands)



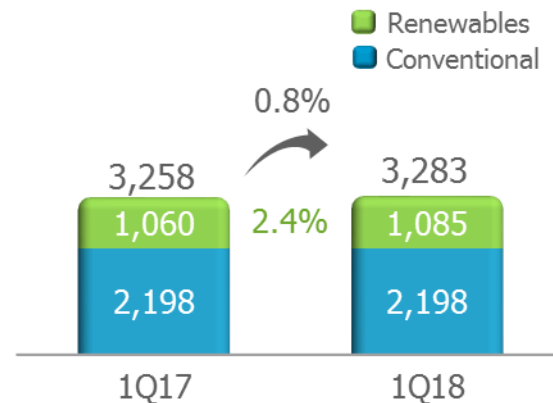
## Highlights

✓ Wind generation below the P50 (-31.7%) in 1Q18

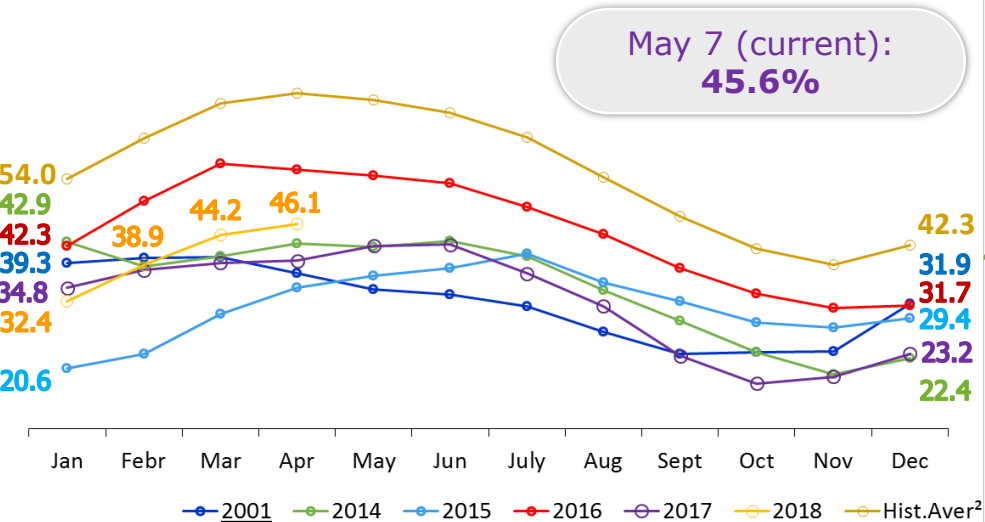
### ► PLD (SE/CW) Evolution



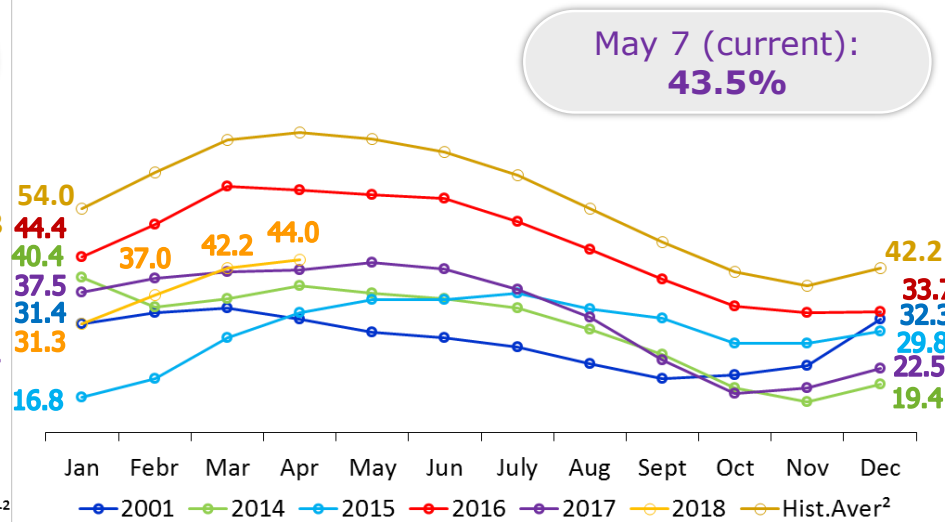
### ► 1Q18 Installed Capacity<sup>1</sup> | MW



### ► NIPS Reservoir Levels | %



### ► Northeast Reservoir Levels | %



## Net Revenue



**15.1%**  
**R\$ 836 million**

1Q17	1Q18
<b>R\$ 5,539</b>	<b>R\$ 6,375</b>
million	million

## EBITDA



**14.3%**  
**R\$ 171 million**

1Q17	1Q18
<b>R\$ 1,196</b>	<b>R\$ 1,366</b>
million	million

## Net Income



**80.7%**  
**R\$ 187 million**

1Q17	1Q18
<b>R\$ 232</b>	<b>R\$ 419</b>
million	million

IFRS

## Main Effects Observed

### EBITDA:

- + Distribution: total var. of +R\$ 167 MM**
  - Market/tariff (+R\$ 80 MM)
  - Concession financial asset (+R\$ 16 MM)
  - PMSO + Private Pension Fund (+R\$ 62 MM):
    - ✓ Legal and judicial expenses (+R\$ 39 MM)
    - ✓ Allowance for doubtful accounts (+R\$ 21 MM)
- + Conventional Generation: total var. of +R\$ 29 MM**
  - GSF/Reimbursem. of previous periods (+R\$ 21 MM)
  - EPASA's performance (+R\$ 6 MM)
- Commerc., Serv. & Others: total var. of -R\$ 17 MM**
  - Commercialization: margin loss (-R\$ 32 MM)
  - Services: margin gain (+R\$ 5 MM)

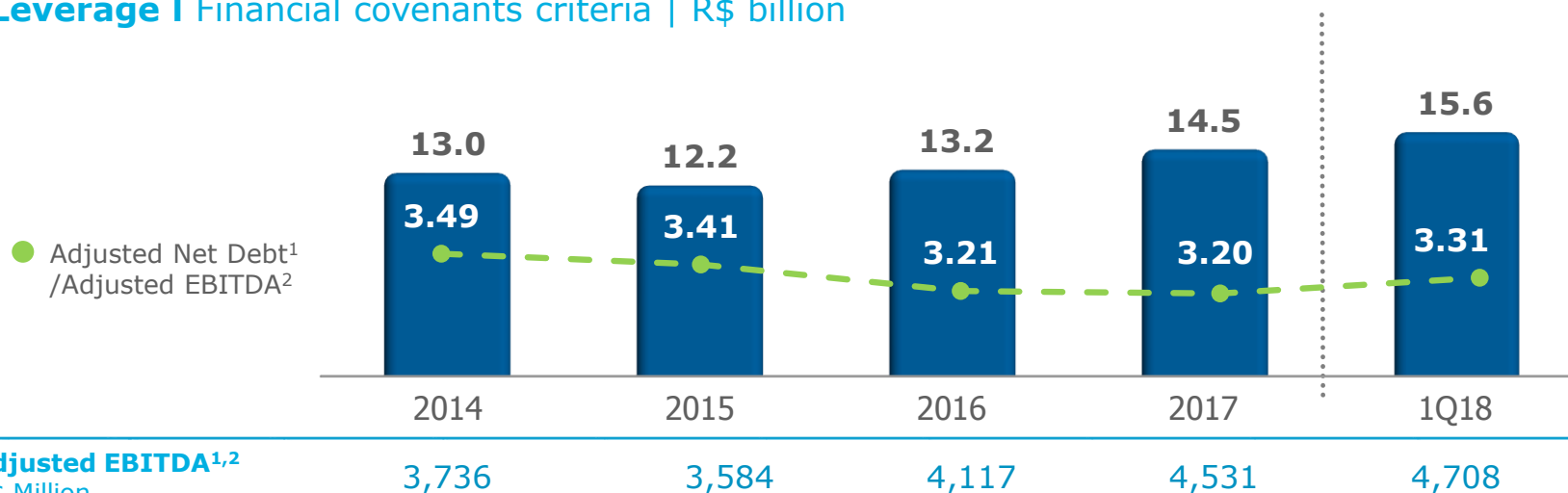
### EBITDA:

- Renewable Generation: total var. of -R\$ 9 MM**
  - Lower wind farms generation (-R\$ 36 MM)
  - Surplus/Deficit Comp. Mech. - MCSO (+R\$ 12 MM)
  - Start-up of Pedra Cheirosa Complex (+R\$ 11 MM)

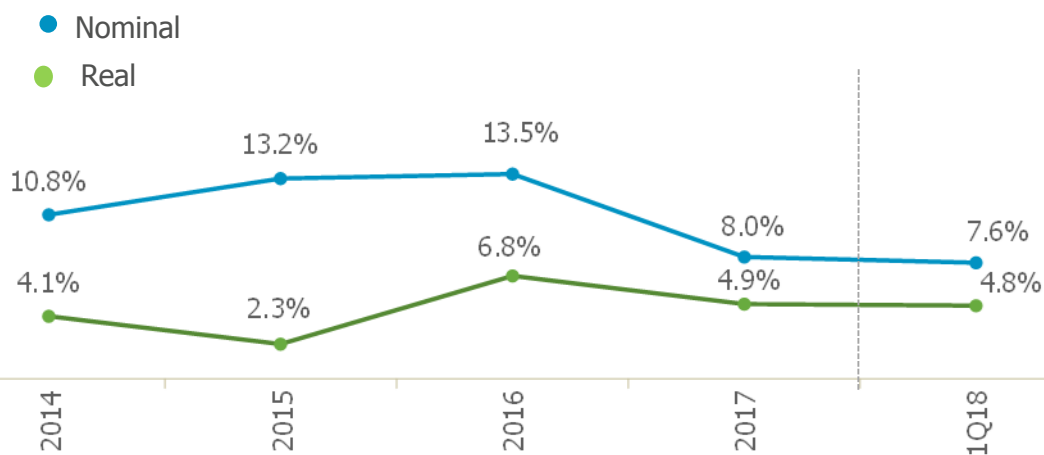
### Net Income:

- + Financial Result: total var. of +R\$ 129 MM**
  - Debt charges, net of income from financial investments (+R\$ 158 MM)
    - ✓ Debt cost/interest rate reduction (+R\$ 143 MM)
    - ✓ Leverage reduction, including sectoral financial assets and liabilities (+R\$ 15 MM)

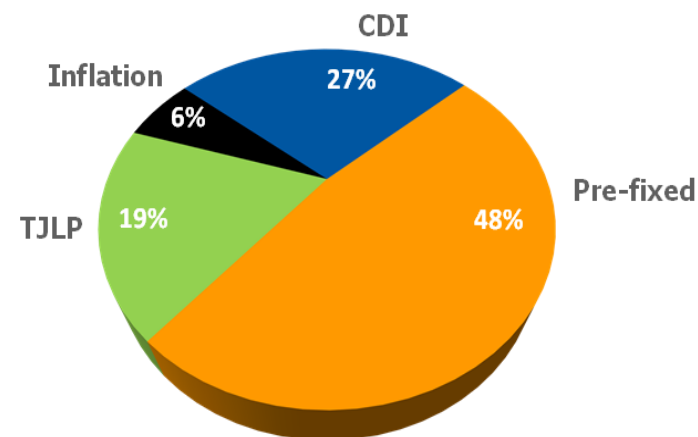
## ► Leverage | Financial covenants criteria | R\$ billion



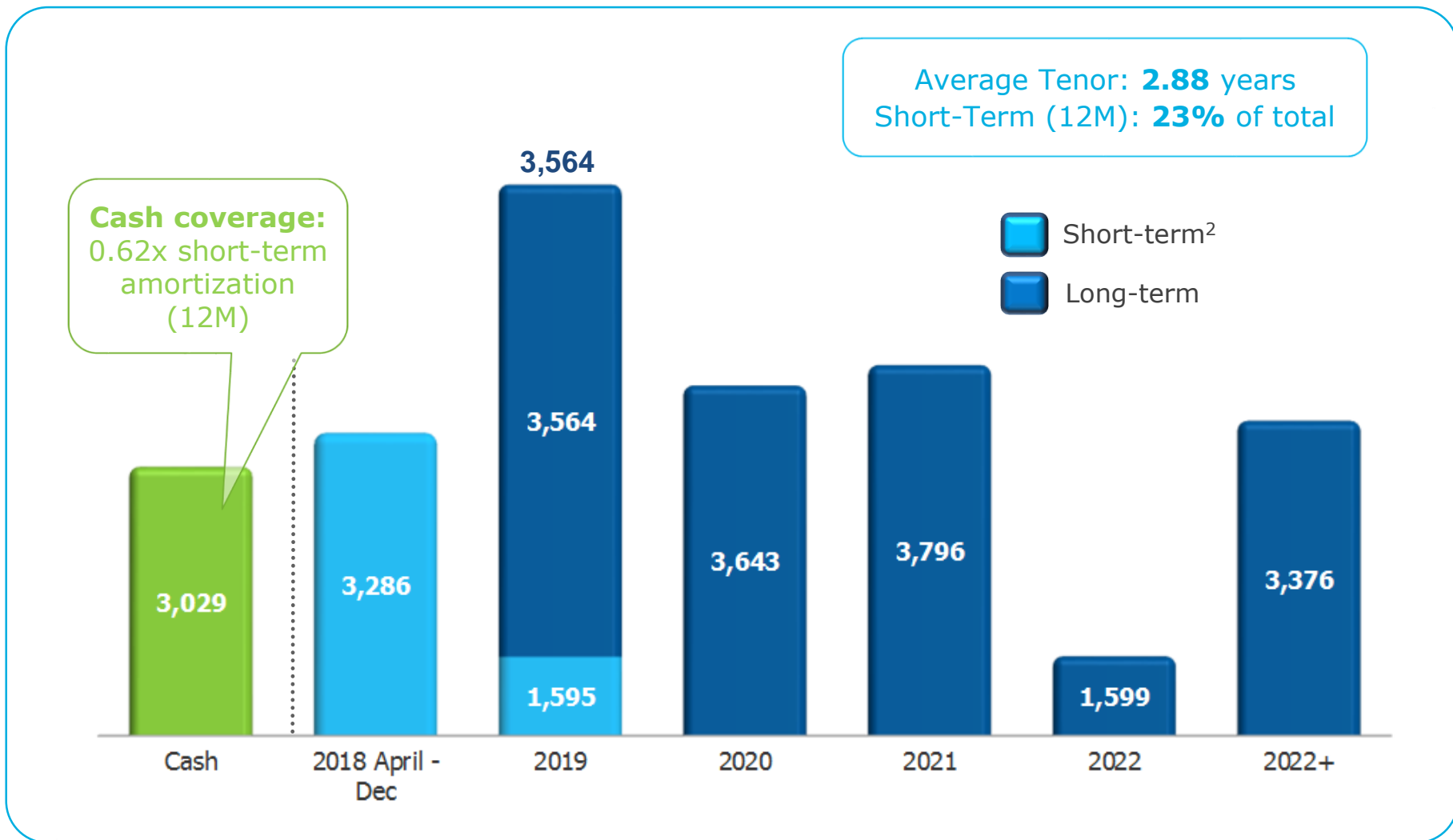
## ► Gross debt cost<sup>2,3</sup> | IFRS | end of period



## ► Gross debt breakdown by indexer<sup>3</sup> | IFRS | 1Q18



## ► Debt amortization schedule<sup>1</sup> | IFRS | R\$ million





## CPFL Paulista's Tariff Review | Apr-18 | R\$ million

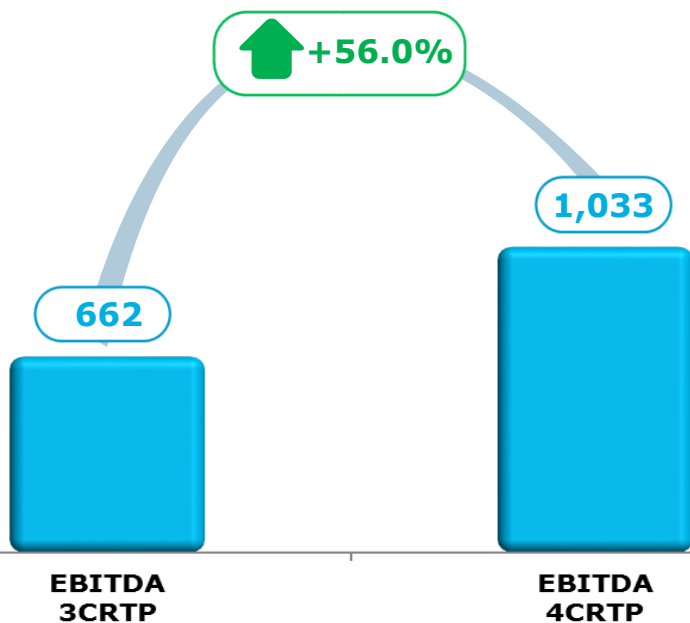
Gross Regulatory Asset Base	9,457
Net Regulatory Asset Base	5,193
WACC after taxes	8.09%



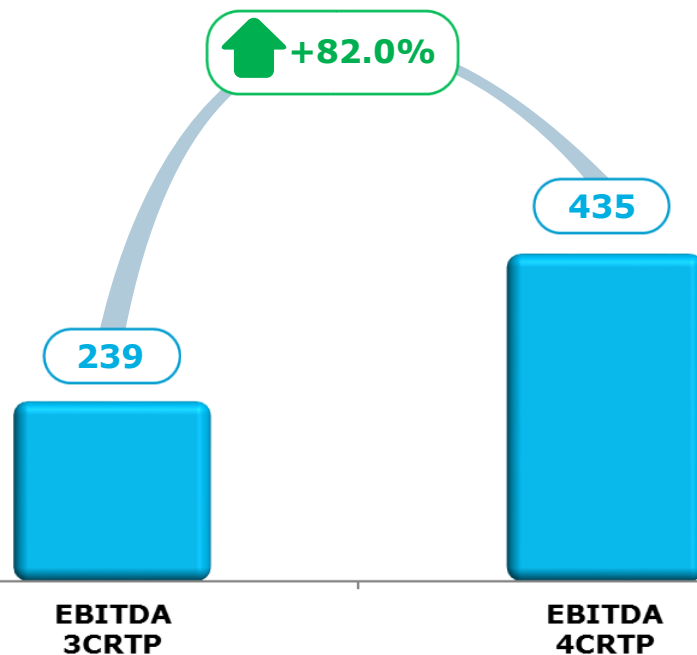
## RGE Sul's tariff Review | Apr-18 | R\$ million

Gross Regulatory Asset Base	3,605
Net Regulatory Asset Base	2,389
WACC after taxes	8.09%

### ► Regulatory EBITDA | R\$ million



### ► Regulatory EBITDA | R\$ million





***CPFL***  
***ENERGIA***