

CPFL Energia S.A.

CPFL Energia S.A.'s (CPFL) Issuer Default Ratings (IDRs) are based on a combination of the group's consolidated credit quality, which results in a Standalone Credit Profile (SCP) for the holding company of 'bb+', with a two-notch uplift. The uplift reflects medium strategic and operational incentives for support from its intermediate parent company, State Grid International Development Limited (SGID; A/Stable). Fitch Ratings currently rates CPFL 'AAA(bra)' with a Stable Outlook on the national scale.

The CPFL group has a robust business profile with significant, diversified and profitable operations in the distribution, generation and transmission segments. Fitch expects the group to maintain a healthy financial profile, despite a projected net leverage increase to around 2.7x, driven by higher investments in the distribution network and resulting negative FCF.

Key Rating Drivers

Support from SGID: CPFL's IDRs benefit from SGID's medium strategic and operational incentives to support the company. Strategic incentives reflect the CPFL group's material financial contribution to SGID, at 50% of the parent's EBITDA, along with demonstrated shareholder commitment through meaningful and flexible intercompany loans. The assessment also considers SGID's strong degree of influence over key decisions and the presence of key executives from the parent on the Brazilian company's board. Legal incentives are low because there are no meaningful or long-lasting debt guarantees or effective cross-defaults on debts issued by SGID.

Strong Business Profile: CPFL is one of the most efficient groups in Brazil's distribution segment and benefits from the diversification of its concessions to mitigate operational and regulatory risks. The distribution companies' (discos) EBITDA, estimated at BRL7.7 billion in 2026, corresponds to nearly 70% of the revenue earned to cover manageable costs, at the top of the 40%–70% range in Brazil. CPFL is well positioned to benefit from growth in data center demand, and projections consider an annual market growth of 2.2%.

Positive Diversification: The CPFL group is one of the largest private energy generators in Brazil, with assured energy of 1.8 average GW (GWm), from a diversified base. Hydro plants represent 65% of this amount, and 86% of their energy is protected against hydrological risk. Wind accounts for 33% and is more exposed to curtailment, which currently reduces its output by around 23%. Fitch expects the segment to generate EBITDA close to BRL3.2 billion in 2026, equivalent to 26% of consolidated EBITDA, down from BRL3.6 billion in 2025 due to lower energy prices and rising curtailment. In transmission, EBITDA should be around BRL1.0 billion in 2026–2027 on a regulatory basis.

Negative FCFs: Fitch expects the CPFL group to generate negative FCF of around BRL2.9 billion annually in 2026–2028, pressured by high investments in the distribution network and dividend payout of 80% of net income. Projections consider annual investments of around BRL6.5 billion during the period, more concentrated in the discos' network. Fitch projects consolidated EBITDA of BRL12.1 billion in 2026 and BRL13.1 billion in 2027. Over half of EBITDA should convert into cash flow from operations.

Increased Leverage: Strong investments are expected to pressure the CPFL group's financial leverage, which should remain at moderate levels. Fitch expects the adjusted debt/EBITDA ratio to increase to 3.0x in 2026 and 3.3x in 2027 from 2.8x in 2025, while net leverage is expected to increase to 2.7x and 2.8x, respectively, from 2.6x. Excluding parent loans of BRL2.6 billion maturing in 2028, net leverage at June 2026 was 2.2x. The calculation incorporates into EBITDA dividends received from non-consolidated assets of around BRL270 million annually.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- EBITDA net leverage consistently above 3.5x on a consolidated basis;
- Weakening of SGID's incentives to support CPFL;
- Deterioration of the liquidity profile.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Improvement of Brazil's operating environment;
- Strengthening of SGID's overall incentives to support CPFL.

Issuer Profile

CPFL is the holding company for one of Brazil's largest electric sector groups, which operates across all segments. State Grid Corporation of China (A/Stable) controls the company through its wholly owned subsidiary, SGID.

Financial Summary

(BRL Mil.)	2023	2024	2025	2026F	2027F	2028F
Gross revenue	35,072	37,033	38,488	35,831	38,199	41,291
EBITDA	11,703	11,061	12,125	12,148	13,157	14,059
EBITDA margin (%)	33.4	29.9	31.5	33.9	34.4	34.0
EBITDA net leverage (x)	2.0	2.4	2.5	2.7	2.8	2.9
EBITDA interest coverage (x)	6.5	5.3	5.8	3.7	4.1	4.2

Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using the Corporate Rating Tool (CRT) to produce the SCP:

- Business and financial profile factors (assessment, relative importance): management (bbb+, lower), sector characteristics (bbb-, moderate), market and competitive positioning (bb+, moderate), diversification and asset quality (bbb+, moderate), company operational characteristics (bbb-, moderate), profitability (bb+, moderate), financial structure (bbb+, moderate) and financial flexibility (bb, higher);
- The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2024, 40% for the forecast year 2025 and 40% for the forecast year 2026;
- The Governance assessment of 'Good' results in no adjustment;
- The Operating Environment assessment of 'bb' results in no adjustment;
- The SCP is 'bb+'.

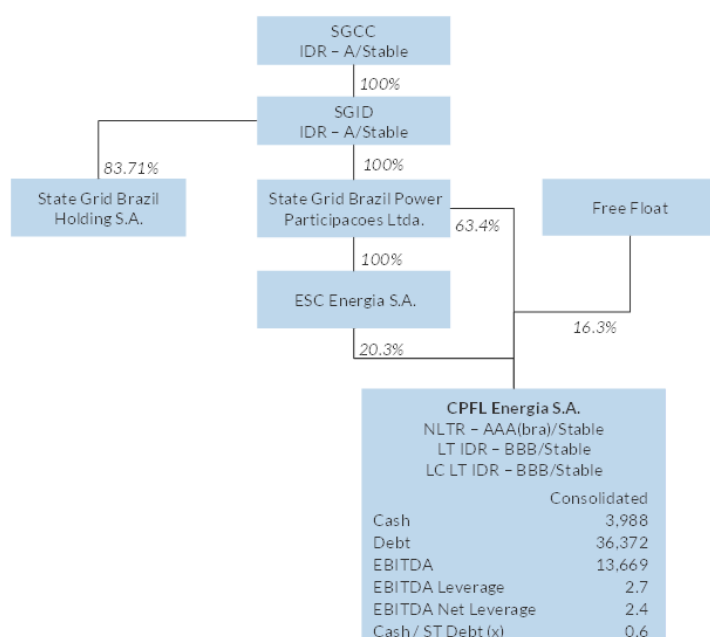
To derive the IDR:

- Application of Fitch's Parent Subsidiary Linkage Considerations Rating Criteria results in 'BBB', reflecting a bottom-up + 2 approach.

Simplified Group Structure Diagram

Organizational Structure – CPFL Energia S.A.

(BRL Mil., as of LTM June 30, 2026)



LTM – Last 12 months. SGCC – State Grid Corporation of China. SGID – State Grid International Development Limited. IDR – Issuer Default Rating. NLTR – National Long-Term Rating. LT – Long-term. LC – Local currency.
Source: Fitch Ratings, CPFL Energia S.A.

Ratings Navigator

Latin America Utilities

	Business Profile					Financial Profile			Standalone Credit Profile	Foreign Currency LT Issuer Default Rating
	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility		
aaa									aaa	AAA
aa+									aa+	AA+
aa									aa	AA
aa-									aa-	AA-
a+									a+	A+
a									a	A
a-									a-	A-
bbb+									bbb+	BBB+
bbb									bbb	BBB Sta
bbb-									bbb-	BBB-
bb+									bb+	BB+
bb									bb	BB
bb-									bb-	BB-
b+									b+	B+
b									b	B
b-									b-	B-
ccc+									ccc+	CCC+
ccc									ccc	CCC
ccc-									ccc-	CCC-
cc									cc	CC
c									c	C
d or rd									d or rd	D or RD

Factor Outlook

Stable
Evolving
Positive
Negative

Relative Importance

Lower
Moderate
Higher

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	bb	0
Other risk elements	Not applied	0
Calibration	Not applied	0
Standalone Credit Profile		bb+
Parent and subsidiary linkage	Bottom-up +2	BBB
Government-related entities	Not applied	—
Other criteria considerations	Not applied	0
Country Ceiling considerations	Not applied	0

Management

Factor / Subfactor	Score / Outlook / Importance	Description
Management	bbb / stable / lower	
Risk tolerance	bbb / lower	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb / lower	Good track record of implementing coherent and stable strategy.
Management quality	bbb / lower	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Sector Characteristics

Factor / Subfactor	Score / Outlook / Importance	Description
Sector characteristics	bb+ / stable / moderate	
Regulatory environment	bbb / moderate	The tariff-setting procedure is transparent and includes the participation of industry players.
Regulatory independence	bb / moderate	Moderate government interference in utility regulations.
Regulatory balance	bbb / moderate	Regulatory framework is moderately biased toward the needs of end-users at the expense of sector participants.
Recourse of law	bb / moderate	Procedures to appeal rulings are lengthy; appeals could be untested; companies can comment on regulations.
Cost and investment recovery	bb / moderate	Significant lag to recover capital and operating costs.

Market and Competitive Positioning

Factor / Subfactor	Score / Outlook / Importance	Description
Market and competitive positioning	bb+ / stable / moderate	
Consumption growth potential	bbb / moderate	Customer and usage growth in line with industry averages.
Supply demand dynamics	bb / moderate	Uncertain outlook for prices and rates.

Diversification and Asset Quality

Factor / Subfactor	Score / Outlook / Importance	Description
Diversification and asset quality	bbb / stable / moderate	
Asset diversification	bbb / moderate	Good quality and/or reasonable scale diversified assets.
Customer diversification	a / lower	Well diversified customer mix.
Geographic diversification	bbb / moderate	Beneficial location or reasonable locational diversity.

Company Operational Characteristics

Factor / Subfactor	Score / Outlook / Importance	Description
Company operational characteristics	bbb- / stable / moderate	
Capex intensity	bb / moderate	Reinvestment concentrated in capital-intensive or unproven technologies.
Operational reliability	bbb / moderate	Reliability and cost of operations at par with industry averages with moderate operating losses.
Company revenue visibility	bbb / moderate	Moderate exposure to price risk. Long-term contracts provide high revenue visibility and most costs variations are passed through.
Counterparty risk	bb / moderate	Weighted average credit quality of actual and potential offtakers is in line with 'BB' rating.
Environmental exposure	bbb / moderate	Limited or manageable exposure to environmental regulations.

Profitability

Factor / Subfactor	Score / Outlook / Importance	Description
Profitability	bb+ / stable / higher	
Volatility of profitability	bbb- / moderate	Stability and predictability of profits in line with utility peers.
Free cash flow	bb+ / higher	Structurally negative FCF across the investment cycle.

Financial Structure

Factor / Subfactor	Score / Outlook / Importance	Description
Financial structure	bbb+ / stable / moderate	
EBITDA leverage (x)	bbb+ / moderate	4.0
EBITDA net leverage (x)	a- / lower	2.0

Financial Flexibility

Factor / Subfactor	Score / Outlook / Importance	Description
Financial flexibility	bb / stable / moderate	
Financial access	bbb / moderate	Unequivocal access through the cycle to: Local financial markets with FMD of 'bbb', or International financial markets with (primarily) FMD of 'bbb'. If the issuer is an infrequent/ untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle.
Liquidity (cash+ CFO)/Short-term debt	bb- / higher	Liquidity ratio around 1.0x. Less smooth debt maturity or concentrated funding.
EBITDA interest coverage (x)	bb / higher	4.5
FX exposure	aa / lower	No material FX mismatch.

Governance

Factor / Subfactor	Score / Outlook / Importance	Description
Governance	Good / — / —	
Ownership and decision-making concentration	Good / moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Some Deficiencies / lower	Some complexity in the rated group structure. Material related party transactions present but with some concerns about transparency or economic rationale. Extent of contagion risk unclear.
Information quality/transparency	Some Deficiencies / lower	Quality of disclosure quality and timeliness is weaker than above. Transparency lacking in certain aspect(s) that we consider relevant to the credit profile.

Parent Subsidiary Linkage Analysis

Key Risk Factors and Notching Approach

Parent	State Grid International Development Limited
Parent LT IDR	A
Subsidiary	CPFL Energia S.A.
Subsidiary LT IDR	BBB
Path	Stronger Parent
Legal incentive	Low
Strategic incentive	Medium
Operational incentive	Medium
Notching matrix outcome	Bottom Up+2
Override applied	No
Notching approach	—

LT IDR – Long-Term Issuer Default Rating
Source: Fitch Ratings

Stronger Parent Notching Matrix

Strategic incentives and operational	Both low	One medium, one low	Both medium or one high, one low	One strong, one medium	Both high
With low legal incentive	Standalone	BU+1 ^a	BU+2 ^a	TD-1 ^b	Equalized
With medium legal incentive	BU+1 ^a	BU+2 ^a	TD-1 ^b	Equalized	Equalized
With high legal incentive	Equalized	Equalized	Equalized	Equalized	Equalized

^a BU rating outcomes are capped at TD-1, where the subsidiary's SCP is more than one notch away from the parent consolidated profile. Where the subsidiary's SCP is one-notch below the parent consolidated profile, the subsidiary's rating will be equalized. ^b TD-1 rating outcomes will be equalized where the subsidiary's SCP is one-notch below the parent consolidated profile. BU – Bottom-up, notched from the lower SCP. TD – Top-down, notched from the parent consolidated profile.

Source: Fitch Ratings

Fitch's Key Rating-Case Assumptions

Discos:

- Annual market growth of 2.2% in 2026–2028;
- Gross profit (after non-manageable costs) averaging BRL12.8 billion in 2026–2028;
- Manageable cash-effect costs averaging BRL4.3 billion in 2026–2028;

Generation and Transmission:

- Generation Scaling Factor (GSF) from 2026 to 2028: 0.84, 0.87, 0.89;
- Incentivized energy prices (BRL/MWh) from 2026 to 2028: 294, 253, 226;
- Short-term energy prices (BRL/MWh) from 2026 to 2028: 326, 235, 198.
- Annual sales around 2.1 GWm at average prices of approximately BRL377/MWh in the Regulated Contracting Environment and BRL227/MWh in the Free Contracting Environment from 2026–2027, excluding quotas and related parties;
- Net revenue from energy sales and transmission revenue around BRL5.1 billion and BRL1.5 billion in 2026–2027, respectively;
- EBITDA margins around 60% in generation and 70% in transmission.

Liquidity and Debt Structure

CPFL has broad access to low-cost financing in the capital and banking markets, as well as shareholder loans. This flexibility allows the group to maintain below-average liquidity and helps it manage projected negative FCFs through debt rollovers. At end-June 2026, the group held BRL4.0 billion in cash, which covered 65% of short-term debt (BRL6.2 billion), according to Fitch's definitions.

Liquidity and Debt Maturities

Liquidity Analysis

(BRL Mil.)	2026F	2027F	2028F
Available liquidity			
Beginning cash balance	2,905	-687	-7,723
Rating case FCF after acquisitions and divestitures	-2,794	-3,547	-2,467
Debt issued in 6M26	4,345	—	—
Total available liquidity (A)	4,456	-4,234	-10,190
Liquidity uses			
Debt maturities	-5,143	-3,489	-7,864
Total liquidity uses (B)	-5,143	-3,489	-7,864
Liquidity calculation			
Ending cash balance (A+B)	-687	-7,723	-18,054
Revolver availability	—	—	—
Ending liquidity	-687	-7,723	-18,054
Liquidity score (x)	0.9	-1.2	-1.3

Source: Fitch Ratings, Fitch Solutions, CPFL Energia S.A.

Scheduled Debt Maturities

(BRL Mil.)	Dec. 31, 2025
2026	5,143
2027	3,489
2028	7,864
2029	4,144
2030	2,377
Thereafter	10,259
Total	33,276

Source: Fitch Ratings, Fitch Solutions, CPFL Energia S.A.

Financial Data

(BRL Mil.)	2023	2024	2025	2026F	2027F	2028F
Summary income statement						
Gross revenue	35,072	37,033	38,488	35,831	38,199	41,291
Revenue growth (%)	3.2	5.6	3.9	-6.9	6.6	8.1
EBITDA before income from associates	11,703	11,061	12,125	12,148	13,157	14,059
EBITDA margin (%)	33.4	29.9	31.5	33.9	34.4	34.0
EBITDA after associates and minorities	12,065	11,327	12,125	12,430	13,433	14,217
EBIT	9,961	9,719	11,056	11,031	11,611	12,157
EBIT margin (%)	28.4	26.2	28.7	30.8	30.4	29.4
Gross interest expense	-1,848	-2,460	-2,752	-3,873	-3,690	-3,844
Pretax income including associate income/loss	7,723	8,089	8,409	7,894	8,755	9,375
Summary balance sheet						
Readily available cash and equivalents	5,533	3,492	2,905	4,209	7,135	8,312
Debt	29,455	30,445	33,276	37,876	44,745	48,840
Net debt	23,922	26,953	30,371	33,667	37,610	40,528
Summary cash flow statement						
EBITDA	11,703	11,061	12,125	12,148	13,157	14,059
Cash interest paid	-1,860	-2,143	-2,085	-3,374	-3,294	-3,394
Cash tax	-2,333	-2,919	-1,559	-2,291	-2,541	-2,721
Dividends received less dividends paid to minorities (inflow/outflow)	361	266	—	282	276	158
Other items before FFO	996	96	-1,135	-201	-566	-566
FFO	9,539	6,844	7,951	6,902	7,458	8,178
FFO margin (%)	27.2	18.5	20.7	19.3	19.5	19.8
Change in working capital	-940	-55	-470	164	-147	-191
CFO (Fitch-defined)	8,600	6,789	7,481	7,067	7,311	7,987
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-4,491	-5,075	-5,354	—	—	—
Capital intensity (capex/revenue) (%)	12.8	13.7	13.9	—	—	—
Common dividends	-3,570	-3,480	-3,520	—	—	—

FCF	538	-1,765	-1,393	—	—	—
FCF margin (%)	1.5	-4.8	-3.6	—	—	—
Net acquisitions and divestitures	—	—	61	—	—	—
Other investing and financing cash flow items	-616	-541	-58	—	—	—
Net debt proceeds	669	300	1,115	4,101	6,473	3,644
Net equity proceeds	—	—	—	—	—	—
Total change in cash	592	-2,006	-275	1,307	2,926	1,177
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-8,062	-8,554	-8,813	-9,861	-10,858	-10,454
FCF after acquisitions and divestitures	538	-1,765	-1,332	-2,794	-3,547	-2,467
FCF margin after net acquisitions (%)	1.5	-4.8	-3.5	-7.8	-9.3	-6.0
Gross leverage ratios (x)						
EBITDA leverage	2.4	2.7	2.7	3.0	3.3	3.4
(CFO-capex)/debt (%)	13.9	5.6	6.4	1.7	0.5	3.1
Net leverage ratios (x)						
EBITDA net leverage	2.0	2.4	2.5	2.7	2.8	2.9
(CFO-capex)/net debt (%)	17.2	6.4	7.0	1.9	0.6	3.7
Coverage ratios (x)						
EBITDA interest coverage	6.5	5.3	5.8	3.7	4.1	4.2
CFO – Cash flow from operations						
Source: Fitch Ratings, Fitch Solutions						

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Fitch Adjusted Financials

(BRL thousands, Dec. 31, 2025)	Formulas	Standardized values	Analytical adj	Adjusted values
Income statement summary				
Revenue		44,367,780	-5,879,424	38,488,356
EBIT		10,778,490	277,911	11,056,401
Add: Depreciation and amortization		2,397,217	-1,329,000	1,068,217
EBITDA	(a)	13,175,707	-1,051,089	12,124,618
Add: Dividends received from associates/paid to minorities	(d)	—	—	—
EBITDA after associates/minorities	(e)= (a+d)	13,175,707	-1,051,089	12,124,618
EBITDAR after associates/minorities	(f)= (c+d)	13,175,707	-1,051,089	12,124,618
Debt and Cash				

Balance sheet debt including preferred stock		33,468,376	-192,469	33,275,907
Add: Discounts/(premiums), fair value adj.		—	—	—
Other		—	—	—
Debt bef. disc/prem, fair value adj.		33,468,376	-192,469	33,275,907
Hybrids equity credit		—	—	—
Other off-balance-sheet debt		—	—	—
Debt (Fitch-defined)	(g)	33,468,376	-192,469	33,275,907
Lease-equivalent debt		—	—	—
Lease-adjusted debt		33,468,376	-192,469	33,275,907
Readily available cash and equiv.	(h)	2,905,082	—	2,905,082
Not readily available cash and equiv.		—	—	—
Cash flow summary				
EBITDA		13,175,707	-1,051,089	12,124,618
Cash dividends from associates/paid to minorities		—	—	—
Interest paid	(i)	-2,084,774	—	-2,084,774
Interest received	(j)	998,851	-393,603	605,248
Preferred dividends paid	(k)	—	—	—
Cash tax paid		-1,559,233	—	-1,559,233
Other items before FFO		-2,993,715	1,858,630	-1,135,085
FFO	(l)	7,536,836	413,938	7,950,774
Change in working capital		-374,039	-95,748	-469,787
CFO	(m)	7,162,797	318,190	7,480,987
Non-operating/nonrecurring cash flow		—	—	—
Capex	(n)	-390,484	-4,963,868	-5,354,352
Common dividends paid		-3,519,769	—	-3,519,769
FCF		3,252,544	-4,645,678	-1,393,134
Gross leverage (x)				
EBITDA leverage	(g)/(e)	2.5	0.2	2.7
(CFO-capex)/debt (%)	(m+n)/(g)	20.2	-13.8	6.4
Net leverage (x)				
EBITDA net leverage	(g-h) / (e)	2.3	0.2	2.5
(CFO-capex)/net debt (%)	(m+n)/(g-h)	22.2	-15.2	7.0
Coverage (x)				
EBITDA interest coverage	(e) / (-i)	6.3	-0.5	5.8

FFO - Funds flow from operations. CFO - Cash flow from operations. FCF - Free cash flow.

Notes: Numbers in the Standardized values column are based on a methodology to present financials consistently across a range of accounting standards.

Reported items may not match the Fitch approach.

Source: Fitch Ratings

Peer Analysis

CPFL's SCP is the same as Transmissora Alianca de Energia Eletrica S.A.'s (Taesa; BB+/Stable) and one notch above Energisa S.A.'s (Energisa; BB/Stable). The three companies operate in Brazil. CPFL and Energisa are among the largest in electricity distribution, while Taesa is one of the country's largest in energy transmission.

Taesa generates even more predictable cash flows from transmission assets but is more leveraged than CPFL. Taesa's net leverage should reach around 4.0x on average over 2026-2027, above the average estimated for CPFL (3.2x). Both companies operate with high profitability, but with high capex intensity.

Like CPFL, Energisa benefits from stable demand and cash flows in the distribution business, but its leverage ratios are also higher than CPFL's with an average net leverage of 3.9x. Both groups are intensifying capex, although the pressure on Energisa's capital structure is higher.

Navigator Peer Comparison

Issuer		Business profile (Score/Relative Importance)							Financial profile (Score/Relative Importance)					
Name	IDR/Outlook	Management		Sector Characteristics		Market and Competitive Positioning		Diversification and Asset Quality		Company Operational Characteristics		Profitability	Financial Structure	Financial Flexibility
CPFL Energia S.A.	BBB/Stable	bbb		bb+		bbb		bbb		bbb-		bb+	bbb+	bb
Energisa S.A.	BB/Stable	bbb		bbb-		bb+		bbb		bbb-		bb-	bb	b+
Transmissora Alianca de Energia Eletrica S.A.	BB+/Stable	bbb		bbb		bbb		bbb		bbb-		bbb-	bbb-	bb-
Enel Americas S.A.	BBB+/Stable	bbb+		bbb-		bbb-		bbb+		bb+		bbb+	a-	a-
Relative importance: Higher Moderate Lower														
Source: Fitch Ratings														

Issuer		Business profile (Score/Outlook)					Financial profile (Score/Outlook)		
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility
CPFL Energia S.A.	BBB/Stable	bbb	bb+	bb+	bbb	bbb-	bb+	bbb+	bb
Energisa S.A.	BB/Stable	bbb	bbb-	bb+	bbb	bbb-	bb-	bb	b+
Transmissora Alianca de Energia Eletrica S.A.	BB+/Stable	bbb	bbb	bbb	bbb	bbb-	bbb-	bbb-	bb-
Enel Americas S.A.	BBB+/Stable	bbb+	bbb-	bbb-	bbb+	bb+	bbb+	a-	a-

Rating categories: ■ b/cc ■ bb ■ bbb ■ a ■ aa ▲▼ Factor outlook direction.

Source: Fitch Ratings

Post-Factor Assessment Analytical Adjustments and Overlays

Issuer		Analytical Adjustment				Governance	Operating Environment	Qualitative Overlay		
Name	IDR/Outlook	Factor Assessment Outcome	Additional Sector	Weakest Link	B+ to CC	Rating impact	Rating impact	Other Risk Elements	Calibration	Final SCP
CPFL Energia S.A.	BBB/Stable	bb+	-	-	-	-	-	-	-	bb+
Energisa S.A.	BB/Stable	bb	-	-	-	-	-	-	-	bb
Transmissora Alianca de Energia Eletrica S.A.	BB+/Stable	bb+	-	-	-	-	-	-	-	bb+
Enel Americas S.A.	BBB+/Stable	bbb+	-	-	-	-	-2	-	-	bbb-

SCP - Standalone Credit Profile

Source: Fitch Ratings

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USD Millions)	EBITDA (USD Millions)	EBITDA margin (%)	EBITDA leverage (x)	EBITDA net leverage (x)
CPFL Energia S.A.	BBB						
	BBB	2025	6,996	2,204	31.5	2.7	2.5
		2024	5,981	1,786	29.9	2.7	2.4
		2023	7,131	2,379	33.4	2.4	2.0
Energisa S.A.	BB						
	BB+	2025	5,463	1,500	27.5	5.6	4.3
	BB+	2024	4,467	1,224	27.4	4.6	3.4
	BB+	2023	4,972	1,492	30.0	4.4	3.3
Enel Americas S.A.	BBB+						
	BBB+	2025	14,506	4,172	28.8	1.6	1.2
	BBB+	2024	13,904	3,670	26.4	1.4	0.6
	BBB+	2023	12,888	4,381	34.0	1.5	1.2

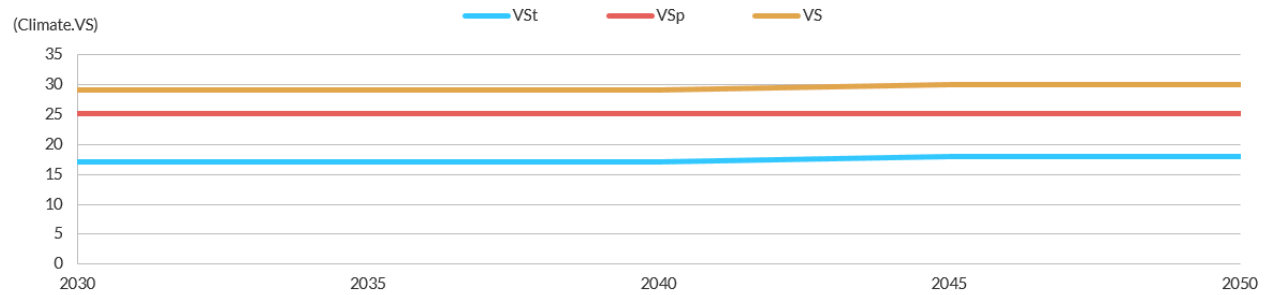
Source: Fitch Ratings, Fitch Solutions

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify credits with higher exposure to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch’s [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Fitch’s latest [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#) report.

The Climate.VS for 2035 is 29 out of 100. This reflects a VSp of 25 and a VSt of 17.

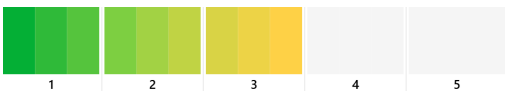
Climate Vulnerability Signals



Source: Fitch Ratings

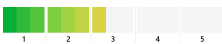
ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch’s ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch’s ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.



Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	Emissions from operations	Sector Characteristics; Company Operational Characteristics; Profitability; Financial Structure
Energy Management	2	Energy and fuel use in operations; entities' financial targets for losses/shrinkage	Company Operational Characteristics; Profitability; Financial Structure
Water & Wastewater Management	1	Water usage in operations; water utilities' financial targets for water quality, leakage and usage	Company Operational Characteristics; Sector Characteristics; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	2	Impact of waste including pollution incidents; discharge compliance; sludge, coal ash	Company Operational Characteristics; Sector Characteristics; Profitability
Exposure to Environmental Impacts	3	Networks' exposure to extreme weather events- negative (e.g. risk of drought and flooding) or positive (e.g. additional return on resilience capex)	Company Operational Characteristics; Profitability



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Regulatory-driven access and affordability targets of utility services	Company Operational Characteristics; Sector Characteristics; Profitability
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Sector Characteristics; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	2	Worker safety and accident prevention	Financial Flexibility
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Profitability; Financial Structure



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	3	Complexity, transparency and related-party transactions	Governance
Financial Transparency	3	Quality and timing of financial disclosure	Governance



ESG Scoring

ESG relevance scores range from ‘1’ to ‘5’ based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit relevance of the sector-specific issues to an issuer’s overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch’s credit analysis.

The panels underneath the relevance scores tables are visualizations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarize rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer’s credit rating (corresponding with scores of ‘3’, ‘4’ or ‘5’). All scores of ‘4’ and ‘5’ are assumed to reflect a negative impact unless indicated with a ‘+’ sign for positive impact.

Classification of ESG issues has been developed from Fitch’s sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

 5

Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to ‘Higher’ relative importance within the Navigator.

 4

Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to ‘Moderate’ relative importance within the Navigator.

 3

Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to ‘Lower’ relative importance within the Navigator.

 2

Irrelevant to the entity rating but relevant to the sector.

 1

Irrelevant to the entity rating and irrelevant to the sector.

Ratings

CPFL Geracao de Energia S.A.

National Long-Term Rating	AAA(bra)
Outlook	
National Long-Term Rating	Stable

RGE Sul Distribuidora de Energia S.A.

National Long-Term Rating	AAA(bra)
Outlook	
National Long-Term Rating	Stable

CPFL Transmissao S.A.

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

Companhia Paulista de Forca e Luz (CPFL)

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

Companhia Piratininga de Forca e Luz

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

CPFL Energias Renovaveis S.A.

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

CPFL Energia S.A.

Long-Term IDR BBB

Long-Term Local-Currency IDR BBB

National Long-Term Rating AAA(bra)

Outlooks

Long-Term Foreign-Currency IDR Stable

Long-Term Local-Currency IDR Stable

National Long-Term Rating Stable

CPFL Comercializacao Brasil S.A.

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

Companhia Jaguari de Energia

National Long-Term Rating AAA(bra)

Outlook

National Long-Term Rating Stable

[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3
2035 Climate Vulnerability Signal	
Transition (Climate.VSt)	17
Physical (Climate.VSp)	25

Applicable Criteria

National Scale Rating Criteria (December 2020)
Metodologia de Ratings em Escala Nacional (December 2020)
Parent and Subsidiary Linkage Rating Criteria (June 2025)
Corporate Rating Criteria (January 2026)

Related Research

Global Corporates Sector Forecasts Monitor: July 2026 (July 2026)
Latin America Utilities - Peer Credit Analysis (July 2026)
Latin America Utilities & Power Outlook 2026 (December 2025)

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