

3Q20 Results



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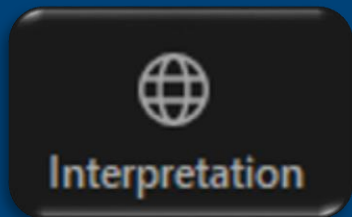
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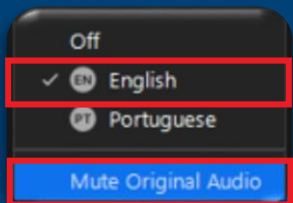
Initial Guidelines

Simultaneous Translation into English:

1st Step: Click on

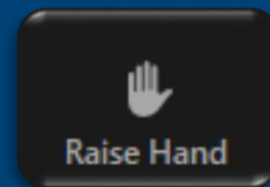


2nd Step: Choose



Q&A Session

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2nd Step: ID yourself

- Your audio will be opened for you to ask the question **live** directly to the executives
- Inform your **name** and **institution**

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3Q20 Highlights

- ✓ Increase of **1.6% in load in the concession area**
- ✓ **EBITDA of R\$ 1,954 million**, increase of **20.8%**
- ✓ **Net Income of R\$ 1,352 million**, increase of **80.8%**
- ✓ Net Debt of **R\$ 13.3 billion** and leverage of **1.93x Net Debt/EBITDA¹**
- ✓ **Debts prepayment (CPFL Renováveis):** BNDES debts prepayment (R\$ 2 billion - trapped cash of R\$ 915 million), concluded in Aug-20
- ✓ Investments of **R\$ 770 million**, increase of **25.0%**

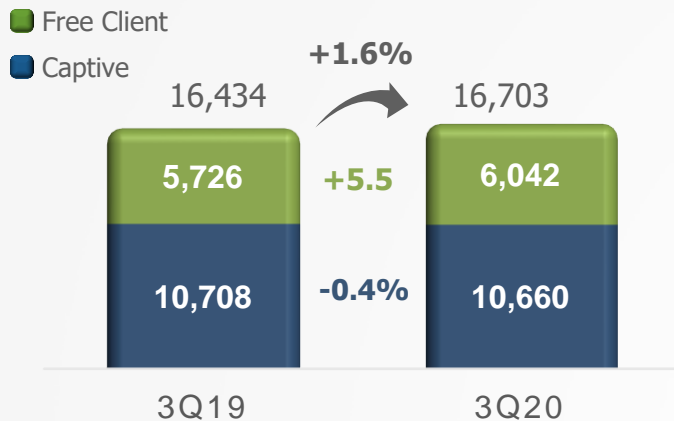


- ✓ **CPFL Piratininga tariff adjustment**, in Oct-20: **+9.82%** for the consumers and **+17.02%** in Parcel B
- ✓ Release of funds of **COVID Account** in 3Q20, in the amount of **R\$ 1,280 million**
- ✓ **CPFL Renováveis' integration plan through the Corporate Restructuring of the CPFL Group companies:** concluded on Sep 30th
- ✓ Release of our **2020-2024 Strategic Plan of Sustainability** in Oct/20
- ✓ **CPFL in Hospitals Program:** (i) energy efficiency: R\$ 50.5 million invested up to Sep-20; and (ii) 48 hospitals with concluded actions

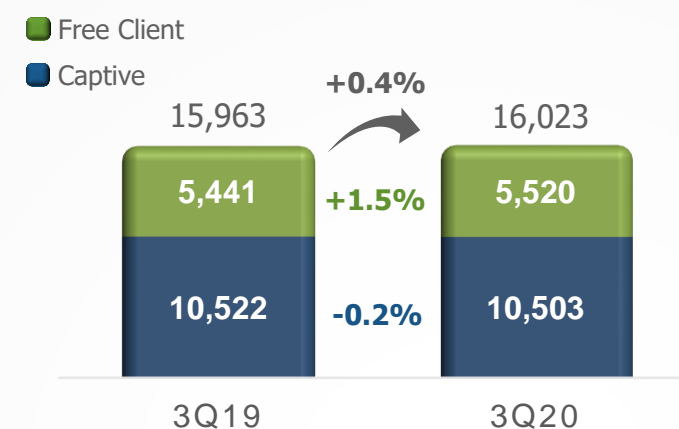


3Q20 Energy Sales

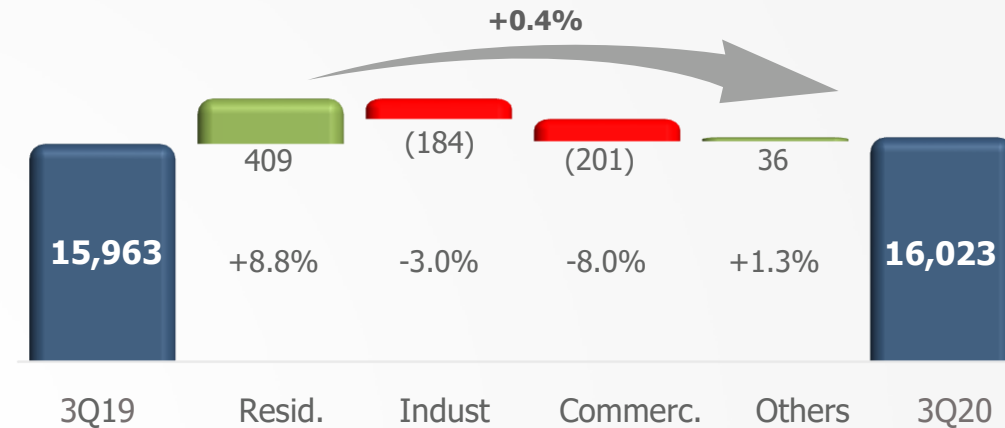
Load¹ in the concession area | GWh



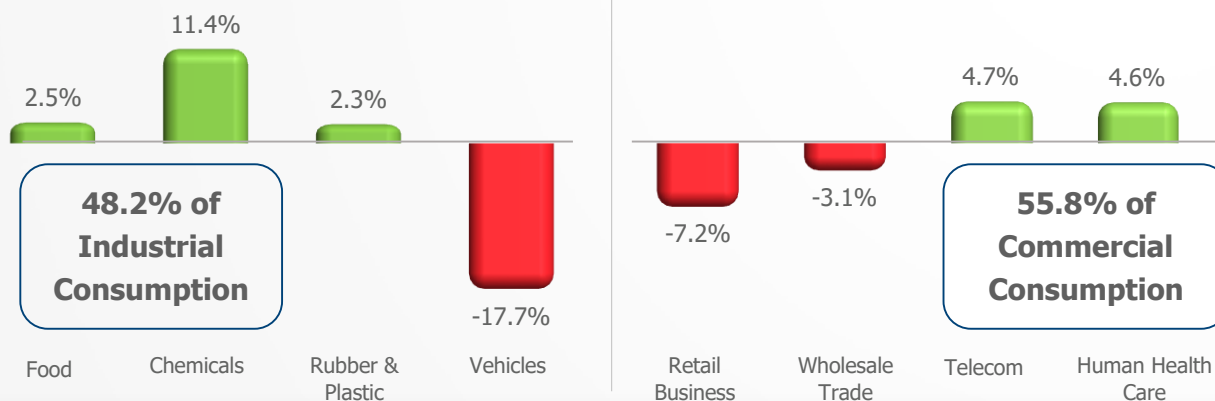
Sales in the concession area | GWh



Sales by consumption segment | GWh



Performance of main industrial and commercial activities in the concession area



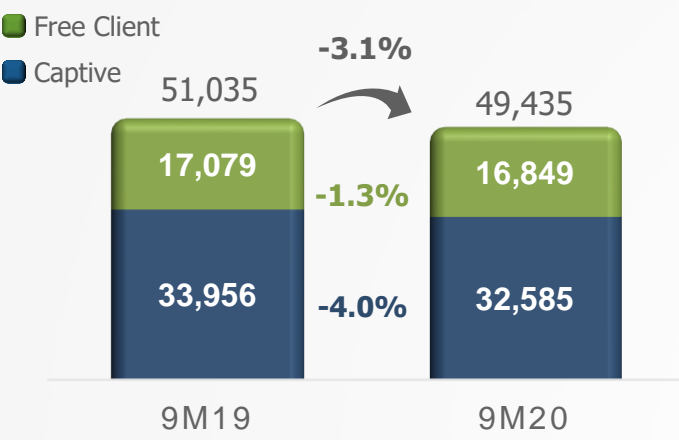
Main impacts by segment | %

	Resid	Ind	Com	Others	Total
Billing calendar	2.1	0.1	1.5	0.7	1.0
Temperature	1.7	0.0	0.6	0.0	0.6
Migrations	0.0	-1.7	0.0	-0.8	-0.8
DG	-0.8	-0.1	-1.2	-0.3	-0.5
Macroeconomics/ Others	5.8	-1.3	-8.9	1.8	0.2

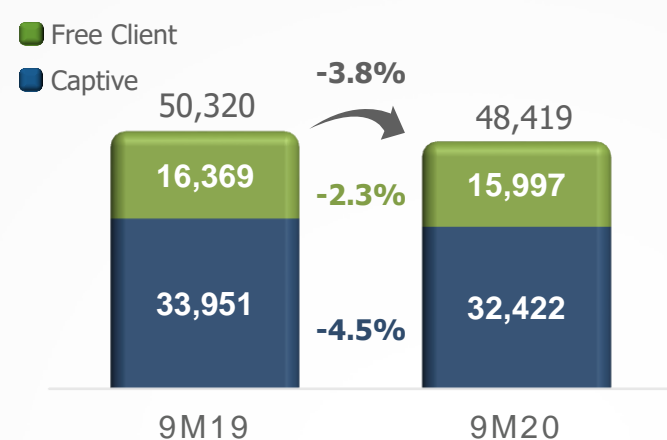
1) Load net of losses; 2) If excluding the migration of large consumers, the load and the sales within the concession area in 3Q20 would have the following variations: +2.3% and +1.2%, respectively;

9M20 Energy Sales

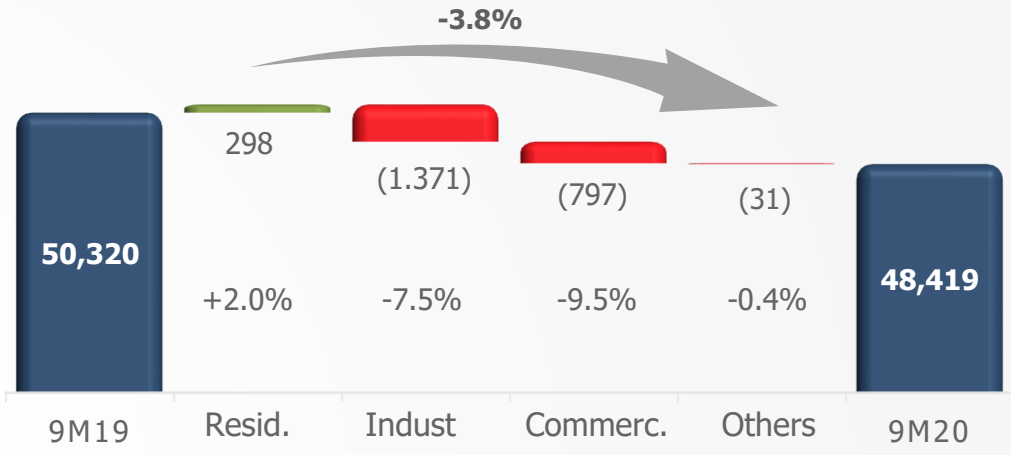
Load¹ in the concession area | GWh



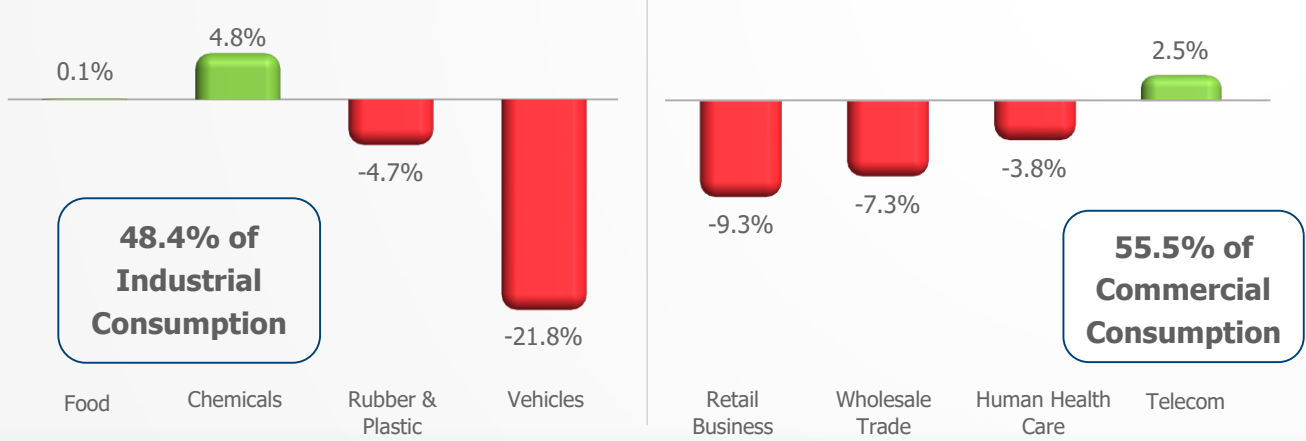
Sales in the concession area | GWh



Sales by consumption segment | GWh



Performance of main industrial and commercial activities in the concession area



Main impacts by segment | %

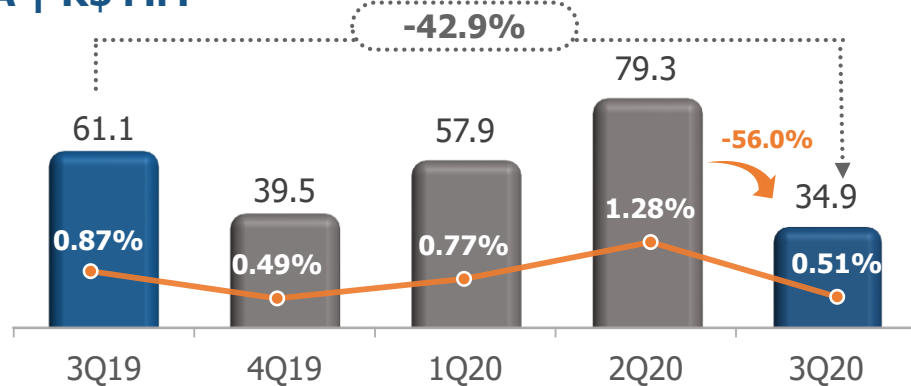
	Resid	Ind	Com	Others	Total
Billing calendar	0.6	-0.1	0.6	0.1	0.3
Temperature	-1.5	0.0	-1.5	-0.2	-0.7
Migrations	0.0	-1.4	0.0	-2.1	-0.9
DG	-0.8	-0.2	-1.3	-0.4	-0.6
Macroeconomics/ Others	3.6	-5.8	-7.2	2.2	-1.9

1) Load net of losses; 2) If excluding the migration of large consumers, the load and the sales within the concession area in 9M20 would have the following variations: -2.6% and -2.9%, respectively;

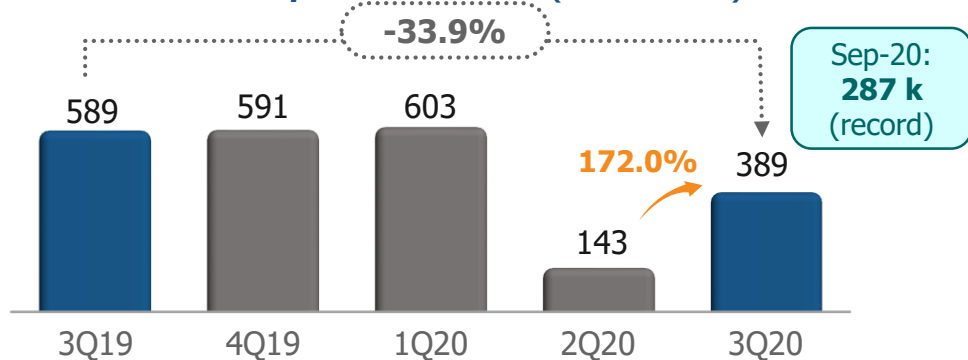
Delinquency and Energy Losses

Delinquency

ADA | R\$ MM



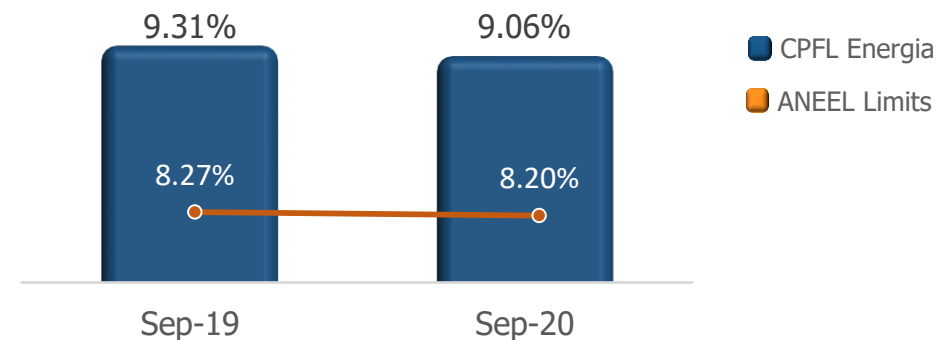
Collection actions | Power cuts (thousands)



✓ Resolution 878 – Prohibition of power cuts from March 24th to July 31th.

Energy Losses

Losses | Last 12 months



✓ Differences in calendar (billing days x load)¹:

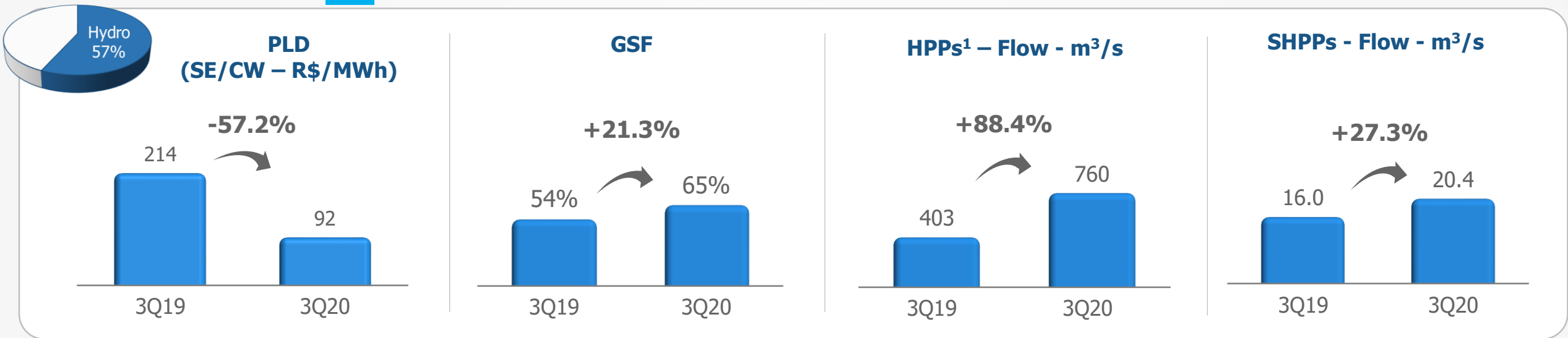
- Sep-20: +1.0 day
- Sep-19: -1.7 day

✓ Intensified actions against losses:

- 144.8 GWh of recovered energy
- 175,000 inspections
- Installation of telemetry with inspection

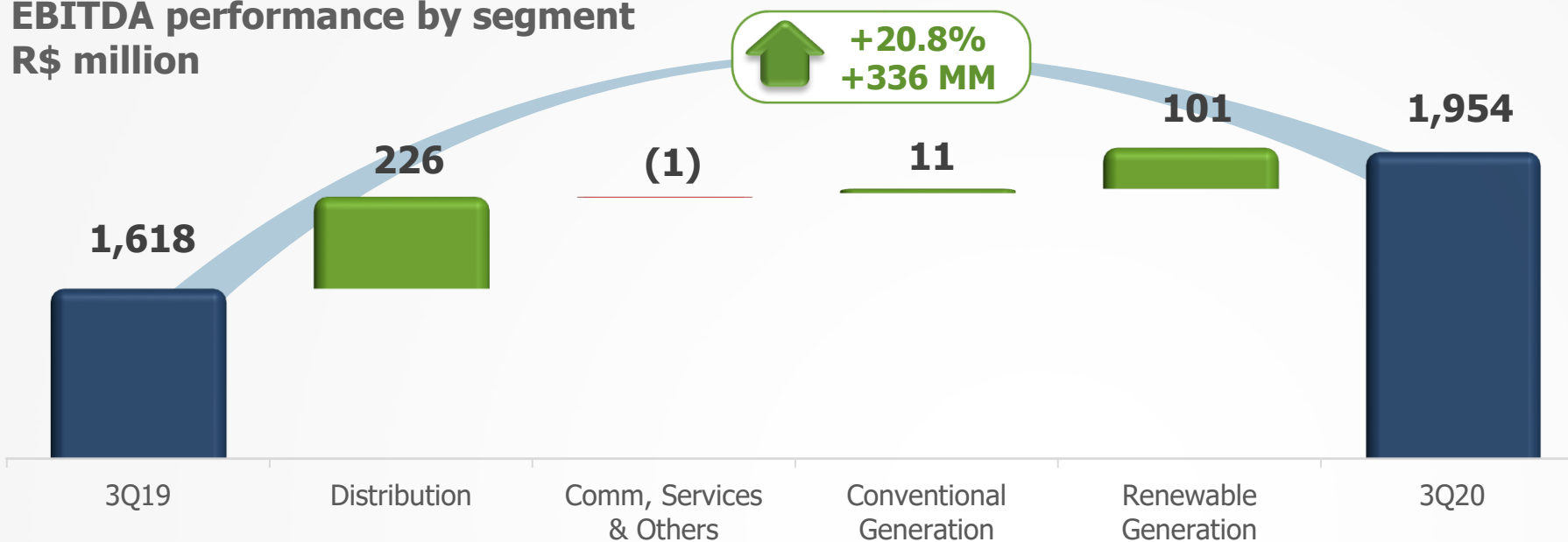
1) Excluding the differences in the billing calendar, Losses in the 3Q20 would have a variation of +0.15% (9.05% in 3Q19 vs 9.20% in 3Q20)

3Q20 Generation

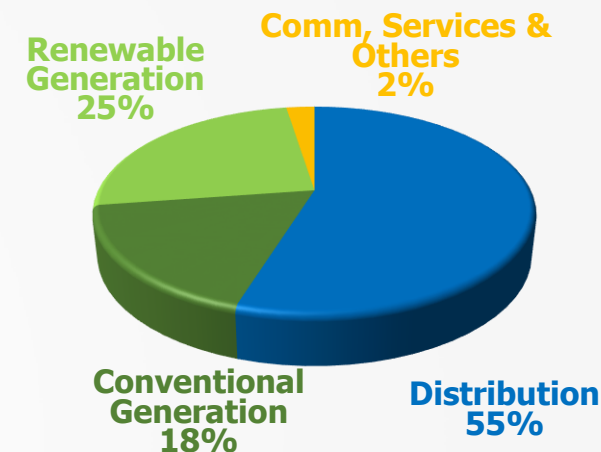


3Q20 Results

EBITDA performance by segment R\$ million



EBITDA breakdown by segment



Distribution: R\$ 1,072 million (+26.7%)



- ✓ Market / tariff (+R\$ 140 MM)
- ✓ Concession financial asset (+R\$ 58 MM)
- ✓ PMSO² (+R\$ 39 MM)
- ✓ ADA (+R\$ 26 MM)
- ✓ CPFL Piratininga RAB Appraisal Report – 3Q19 (-R\$ 42 MM)
- ✓ Others (+R\$ 5 MM)

IPCA ¹	
3Q19	3Q20
0.31%	0.86%

Comm., Services & Others: R\$ 49 million (-3.0%)



- ✓ Commercialization (-R\$ 17 MM) – lower margin
- ✓ Services (+R\$ 17 MM) – mainly CPFL Serviços and CPFL Eficiência
- ✓ Others (-R\$ 1 MM)

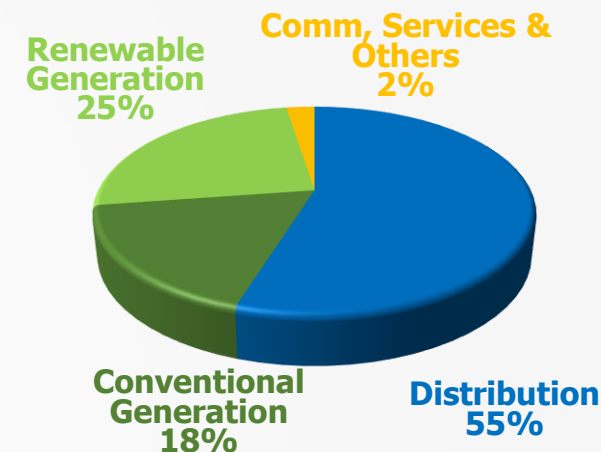
1) From June to August of each year, according to concession financial asset calculation; 2) If disregarding expenses with private pension plan (-R\$ 14 MM), PMSO was R\$ 52 MM lower than in 3Q19.

3Q20 Results

EBITDA performance by segment R\$ million



EBITDA breakdown by segment



Conventional Generation: R\$ 349 million (+3.2%)



- ✓ Lower expenses with GSF (+R\$ 11 MM)
- ✓ Energy contract readjustments (+R\$ 4 MM)
- ✓ Others (-R\$ 4 MM)

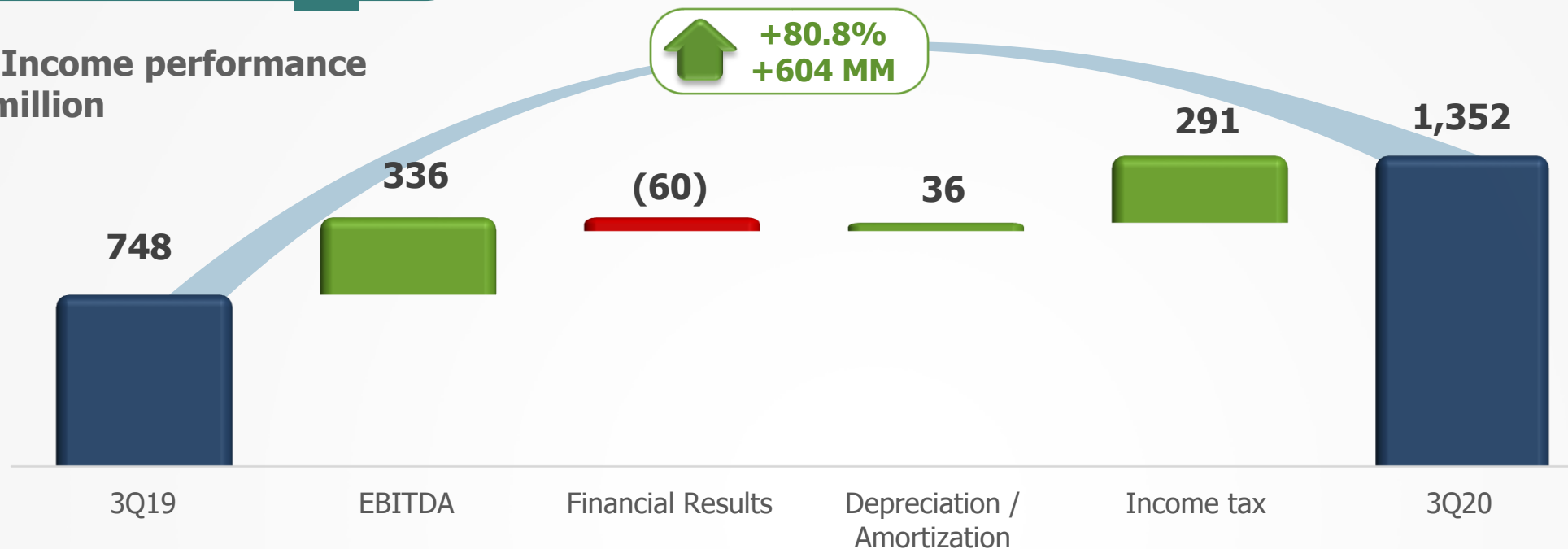
Renewable Generation: R\$ 485 million (+26.3%)



- ✓ Higher wind farms generation/availability (+R\$ 31 MM)
- ✓ Lower expenses with GSF (+R\$ 26 MM)
- ✓ Energy contract readjustments (+R\$ 26 MM)
- ✓ PMSO (+R\$ 18 MM)

3Q20 Results

Net Income performance
R\$ million



Financial Results



- ✓ MTM (-R\$ 67 MM)
- ✓ Re-IPO resources in 3Q19 (-R\$ 56 MM)
- ✓ Update in sectoral financial A&L (-R\$ 20 MM)
- ✓ Expenses with net debt (+R\$ 99 MM)
- ✓ Others (-R\$ 16 MM)

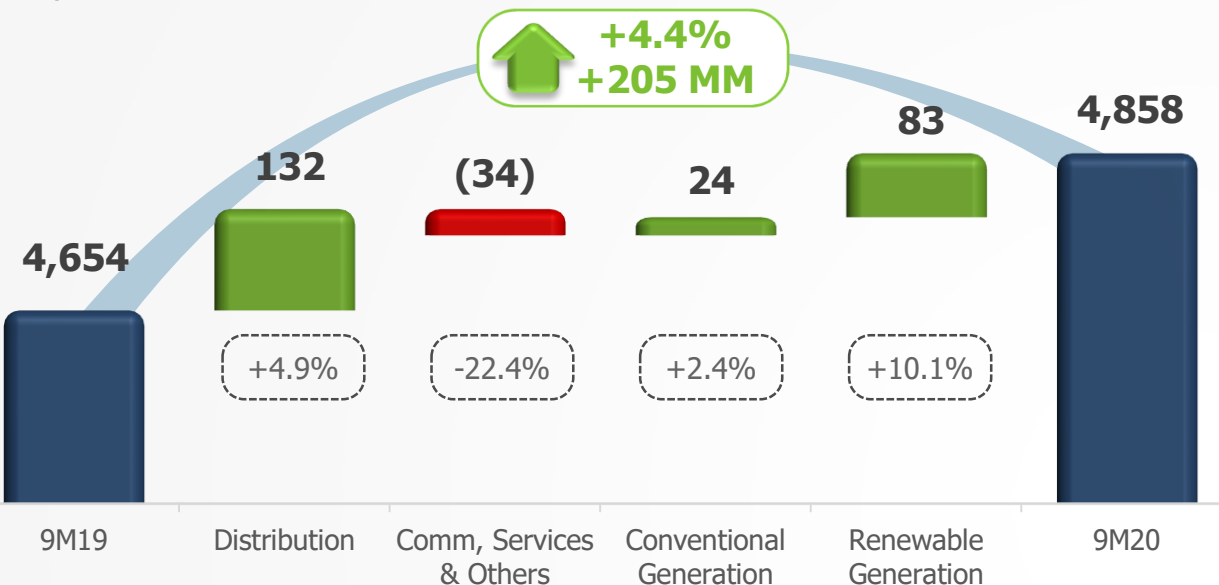
Income Tax



- ✓ Recognition of tax credits in CPFL Renováveis (+R\$ 271 MM)

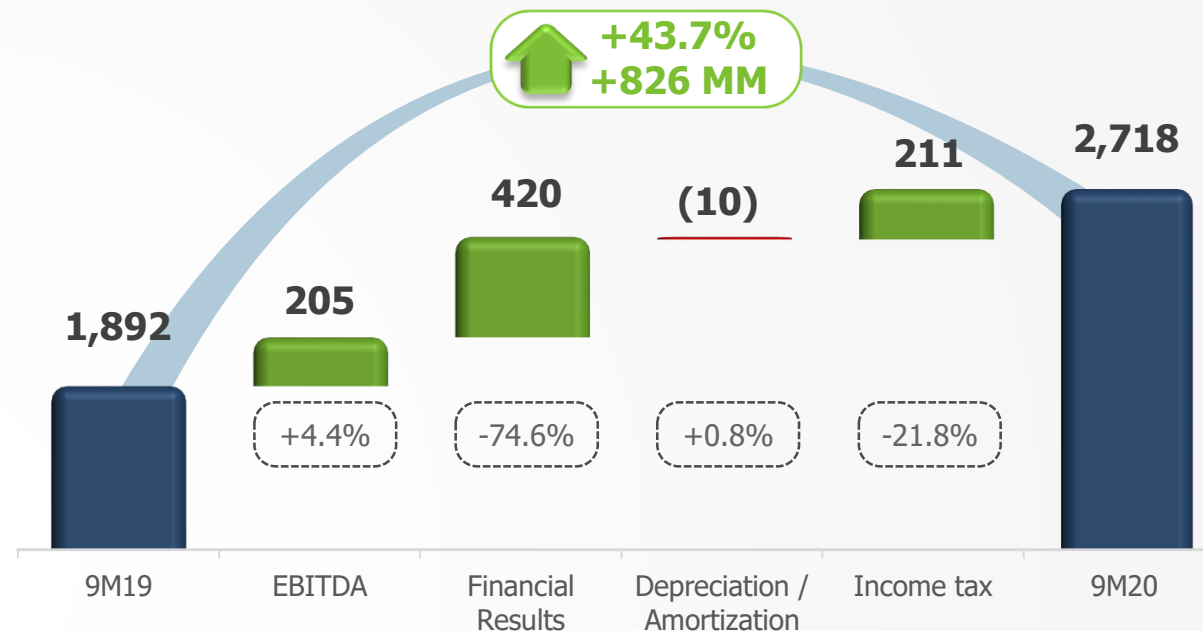
9M20 Results

Performance of EBITDA and Net Income R\$ million



EBITDA

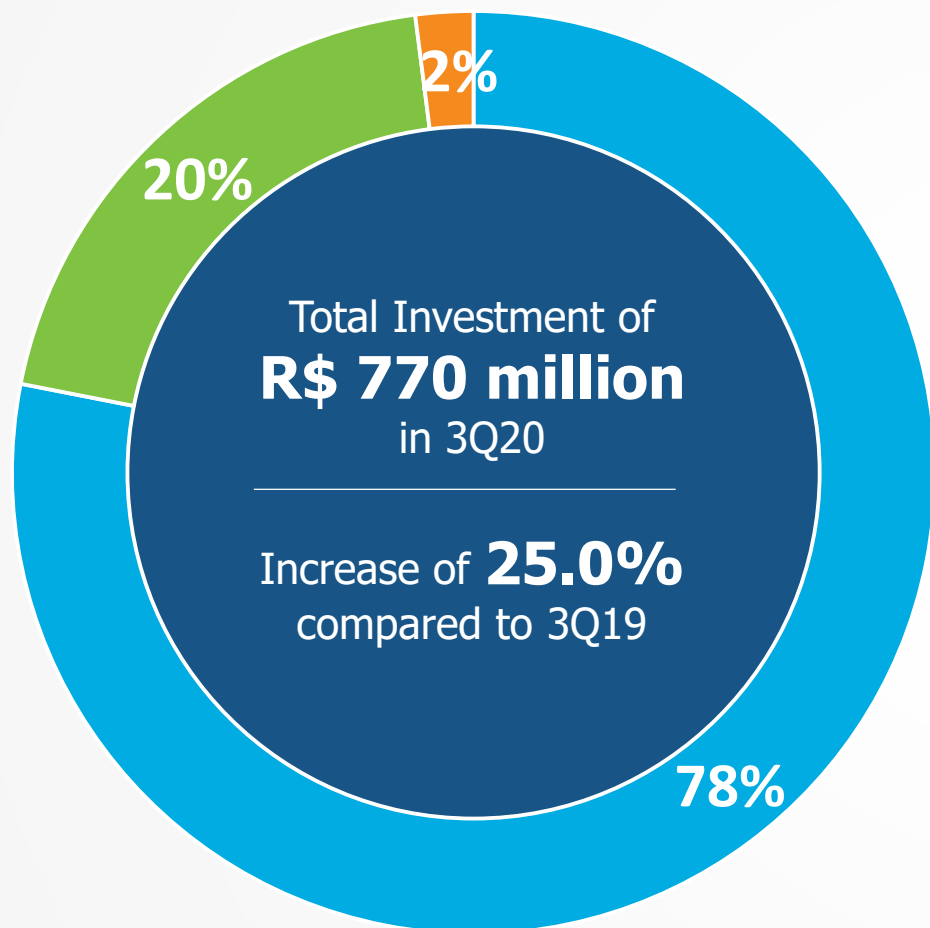
- ✓ Increase in Distribution segment (+4.9%), mainly favored by good performance in market/tariff and lower PMSO
- ✓ Renewable Generation reflecting contract inflation adjustments and higher availability, partially offset by a slightly weaker wind performance



Net Income

- ✓ Financial results favored by lower interest rates/decrease in the cost of debt (R\$ 321 million) and MTM (R\$ 198 million)
- ✓ Recognition of tax credits in CPFL Renováveis (+R\$ 271 MM), partially offset by higher income tax due to better results

CAPEX 3Q20



■ Discos ■ Gencos / Transcos ■ Comm, Services and Others

Distribution



- **R\$ 601 million**
- Increase of 9.2% if compared to 3Q19
- Expansion, upgrade and maintenance of the electric system

Renewable Generation



- **R\$ 98 million**
- Implementation of the projects **Gameleira** and **Cherobim**

Transmission



- **R\$ 54 million**
- Beginning of the projects sold in 2018 auctions:
 - **Maracanaú**
 - **Sul I and Sul II**



Conventional Generation

- **R\$ 1 million**
- Operational infrastructure and maintenance improvements

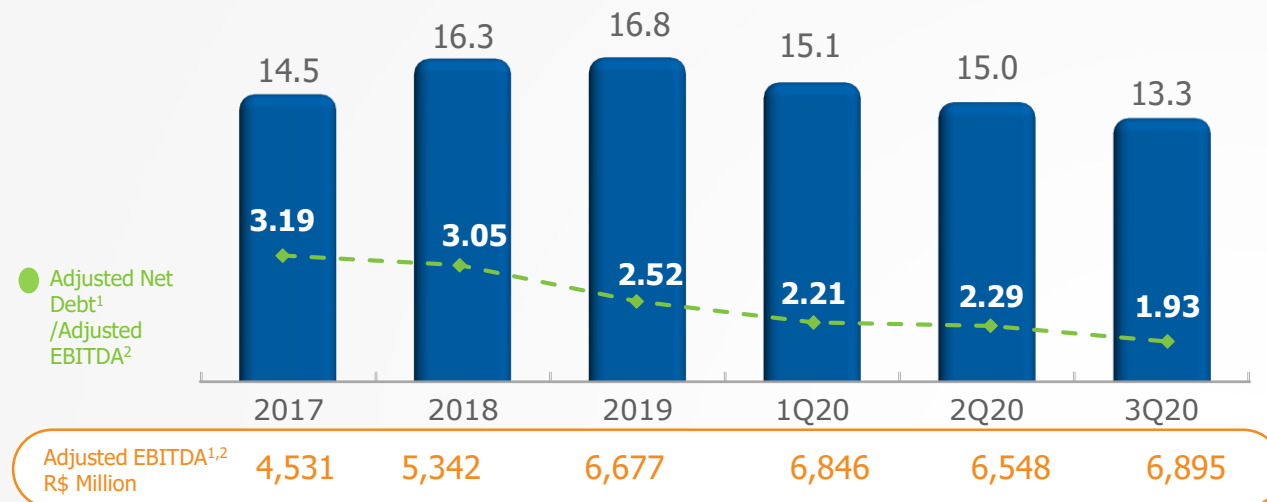
Services



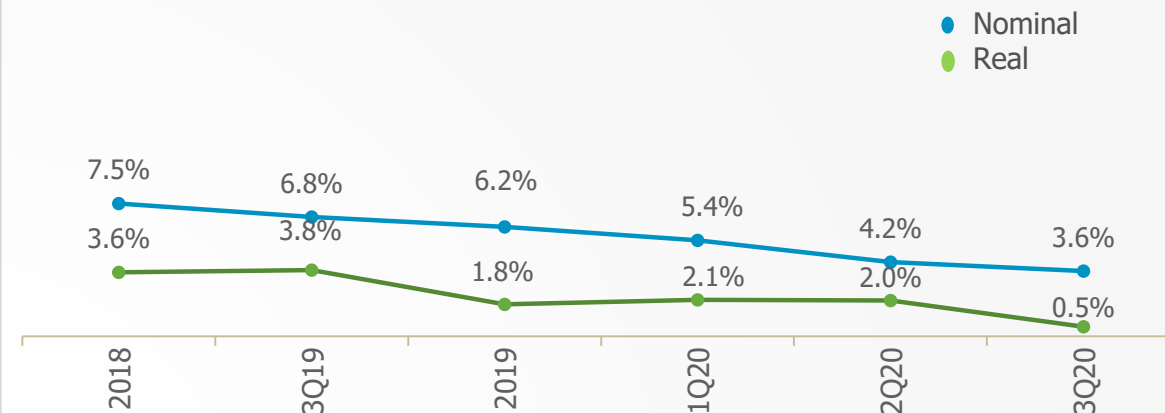
- **R\$ 16 million**
- Upgrade of management and operational support systems
- Acquisition and replacement of vehicles and equipment

Indebtedness

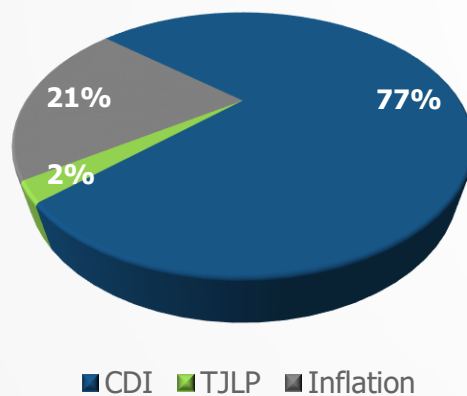
Leverage | Financial covenants criteria | R\$ billion



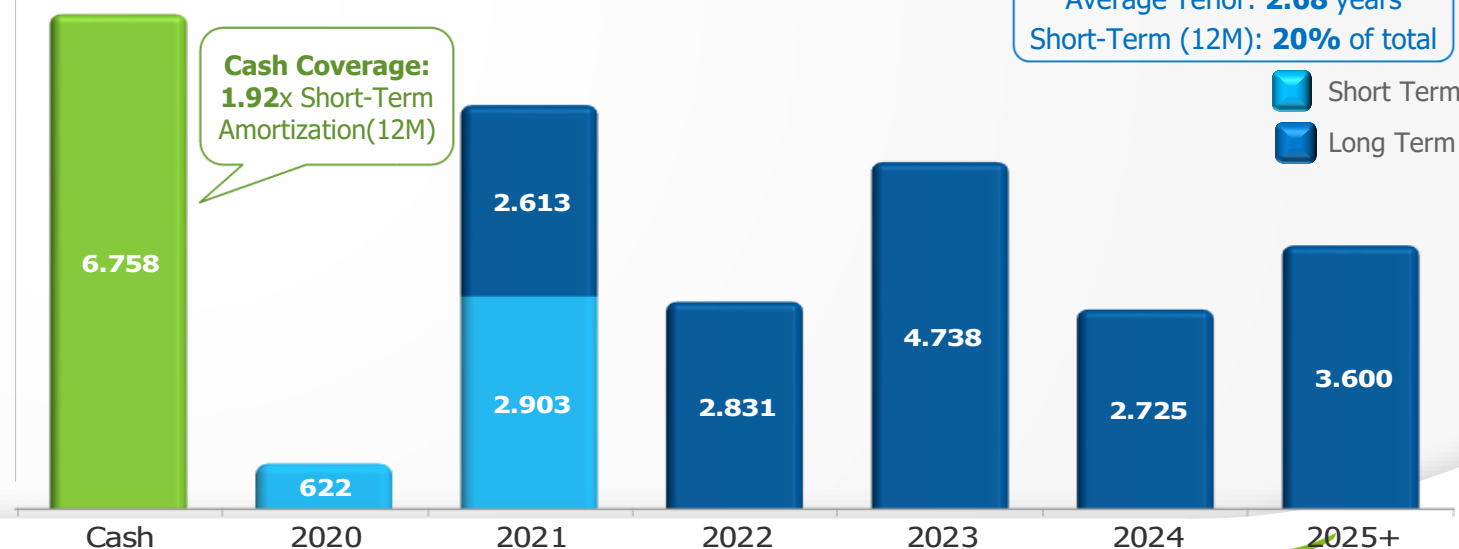
Gross debt cost³ IFRS | End of period



Gross debt breakdown by indexer³
IFRS | 3Q20



Debt Amortization Schedule | IFRS End of period



1) LTM EBITDA; 2) Adjusted by the proportional consolidation as well as considering SGBP's loan agreement; 3) Financial debt (-) hedge.

Social Actions

"CPFL nos Hospitais"

Largest energy efficiency program in hospitals in Brazil

Up to: 200 hospitals | R\$ 150 MM



- ✓ **42,095** replaced lamps
- ✓ **2,807 kWp** in installed capacity of PV systems
- ✓ **R\$ 2.34 million/year** of estimated savings
- ✓ **4.84 GWh/year** of expected solar energy (enough to supply 2,476 residences)
- ✓ **363 tCO₂** of expected avoided emissions (equivalent to planting 2,179 trees)

Total amount invested up to Sep-20: **R\$ 50.5 million. 48 Hospitals** with concluded actions

11th Commitment of Sustainability Plan



Programs to develop the future of children and adolescents through sport and culture, contributing to reducing the levels of social vulnerability

- ✓ **"Instituto Vanderlei Cordeiro de Lima"** – democratization of sport benefiting 240 athletes (Investment: R\$ 1.5 million)
- ✓ **"Instituto Anelo"** – music courses for ~ 500 students in 2020 (Investment: R\$ 450,000)
- ✓ **"Programa Semear"** – Stimulus to volunteering for CPFL employees, benefiting 10 NGOs in 2020, with ~ 1,500 volunteers in SP and RS (Investment: R\$ 103,900)

13th Commitment of Sustainability Plan

Donations

during COVID-19 pandemic

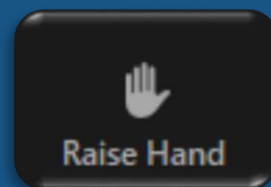
- ✓ **R\$ 5 MM donated to 20 hospitals** across the concession area for Covid-19 tests, masks and cleaning materials
- ✓ **R\$ 1 MM** donated to **Saving Lives** Program of BNDES
- ✓ **State Grid** also donated **120 thousand masks** to the state government of São Paulo and the city of Campinas



Q&A



1st Step: Click on



2nd Step: ID yourself

- Your audio will be opened for you to ask the question **live** directly to the executives
- Inform your **name** and **institution**





Thank you



Thank you!

