

Y 2020 Earnings Call

Company Participants

- Alexandre Nogueira Ferreira, Regulatory Affairs and Strategy Director
- Mauricio Perez Botelho, Chief Financial Officer and Investor Relations Director
- Newton Santos, Revenue Protection Officer
- Ricardo Perez Botelho, Chief Executive Officer
- Unidentified Speaker

Other Participants

- Andre Sampaio, Analyst
- Carolina Carneiro, Analyst
- Marcelo Sa, Analyst

Presentation

Operator

Good afternoon, ladies and gentlemen. Welcome to the Conference Call to discuss the Fourth Quarter 2020 of Energisa. All participants will be connected in listen-only mode during the Company's presentation. Then we are going to start the question-and-answer session, and further instructions will be provided. (Operator Instructions) We would like to inform that this conference call will be conducted in Portuguese by the Company's management, and the English is being held through simultaneous translation. This event is also being simultaneously broadcast on the Internet through a webcast.

Before continuing, we'd like to say that forward-looking statements made during this conference call regarding the Company's operational and financial projections and goals are beliefs and assumptions of the Company's management. They are based on information currently available to the Company. Forward-looking statements are not guaranteed of performance because they involve risks, uncertainties and assumptions that refer to future events, and therefore, depend on circumstances that may or may not occur. Investors should understand that overall economic conditions, industry conditions and other operating factors may affect the future performance of the Company, and may lead to results that will be materially different from those expressed in such forward-looking statements.

Now, I would like to turn the conference over to Mr. Ricardo Botelho, who is going to start. Mr. Botelho, please, you may start.

Ricardo Perez Botelho {BIO 2105867 <GO>}

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Thank you, all very much. Good afternoon. I thank each and every one of you for attending our conference call for the fourth quarter of 2020. Today, with us in this conference call, we have Mauricio Botelho, CFO and IRO; Gioreli De Sousa, Distribution Vice President; Alexandre Ferreira, Regulation Vice President; Daniele Araujo, People and Management VP; Antonio Carlos Tovar, Corporate Finance Officer; Newton Santos, Revenue Protection Officer; and the entire Investor Relations Company -- and the entire Investor Relations team of the Company.

Before starting the presentation, I would like to praise the capacity of adaptation, the agility and the dedication of our leadership and our almost 20,000 employees, our own and contracted, to deal with extremely challenging scenario which has been the COVID-19 pandemic, which has produced devastating, unprecedented effect over the human lives and severe consequences on the economy as a whole. In spite of this very adverse scenario, our team has been able to build an exceptional result for 2020. The adjusted EBITDA was BRL4.3 billion, 12.3% above the year before, and the net income of BRL1.6 billion.

Starting our presentation, first of all, I would like to kindly request you to look at Slide number 2, where there is an important notice because this slide must be read with attention before you make any decision to invest in our Company.

Now, moving to Slide number 3, we'll be presenting the operating highlights of the quarter, which include the energy market, energy losses, quality indicators, SAIDI and SAIIFI, default rate or delinquency rate, and collection rate. Then Mauricio Botelho is going to present the financial highlights, investments, the advancements in the transmission segment and subsequent events. And lastly, we are going to open for questions and answers.

So starting with the highlights. In this quarter -- you can go to Slides 4 and 5, showing the performance in the energy market, which has grown 5.2% considering the billed market as compared to Q4 2019, the largest of the past three years. When we look at these results and we compare them to the second quarter when the market shrunk 4.9% and the beginning of its recovery on the third quarter with a growth of 0.6%, we can say that the market recovery profile was reshaped in our concession areas, thanks to the good diversity of our portfolio and intrinsic economic and climatic features of these regions. All our areas of concession have grown except for Energisa Sergipe, affected by the commercial and government segments, but especially by the manufacturing segment. Energisa Rondonia presented the largest growth, as an effect, especially, of residential, rural and manufacturing segments with an increase of 20.7%, 9% and 7%, respectively. The manufacturing segment had a positive impact of non-metal mining activities and food industry. We should highlight the investments in expansion and availability and quality of the networks have made it possible to expand new loads, which were pent-up throughout the state when we assumed [ph] the company in 2018. About 40% of the increase in segment of 50-gigawatt hour were to the connections of 122 new loads of Group A in Rondonia. The other highlights were Mato Grosso, Tocantins, Acre, Roraima and Minas Gerais, with a positive impact by the residential, rural and industrial segments.

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By the way, the residential segment has grown in all concessions of Group Energisa, and the rural and manufacturing segments get grown in nine of 11 concessions. These three segments have showed a positive result than most of the companies. The growth in the residential segment of 12.3% was the highest in Q4 since '05 because of the high temperatures in most of the countries. The rural segment has -- had its peak since the fourth quarter of '07 with a highlight for soybean growing and processing, especially in Mato Grosso and Mato Grosso do Sul and a little bit in Rondonia.

Higher temperatures and dry weather in the quarter demanded a more intensive use of energy for irrigation. The manufacturing segment in contrast recorded its highest growth in the fourth quarter since Q4 2017. Manufacturing activities have (Technical Difficulty) on income because of concession of the emergency allowance and the valuation of the commodities exported.

On Slide 6, you can see the energy market year-to-date numbers. I consider this result of a growth of 0.9% comparing 2020 to 2019 because we are dealing with a lot of economic difficulties and income difficulties by the Brazilian population. Overall, the consumption of energy in Brazil went down by 1.6% in Brazil. Keeping its history in the last 12 months, this differential was on average 2.25 percent points a year. Considering that in the last 11, out of these 12 years, the growth in Energisa's market exceeded the national average.

The concessions in Mato Grosso and Mato Grosso do Sul have grown 3.7% and 1.4%, accounting for 42.3% of the total consumption of distribution companies. If we include Rondonia, which grew 3.8%, this percentage goes to 51.5%. The areas that had suffered the most, Sergipe and Nova Friburgo, account for 7.8% and 0.9% of the total consumption of the Group, respectively. As two consumption segments, the residential segment presented its peak since 2019, with a growth of 7.1%, accounting for 39% of total consumption, the highest.

Its performance was strongly impacted by the effects of temperature and COVID, considering that families were staying longer in their homes. Residential consumption accounts for 83% of the total of this segment, whereas low-income accounts for 16.4%. The rural segment has also had a significant impact in the Group's performance, with a growth of 9.9%, accounting for 10.5% in total consumption.

Lastly, the manufacturing segment, which accounts for 20% of our total consumption, has dropped 0.2% in the year, a result of -- as I said before, which is better than expected, considering the economic crisis during the whole year 2020. Without a major manufacturing customer in Sergipe, this class would have grown by 1.1% and 1.2% in the total market as compared to 0.9% that we are reporting.

Now, moving to Slide number 7. You can see energy losses. Here, we are presenting total losses of the Group and its performance in the last 12 months in 2020, with improvement in the curve that we reported in December when compared to September and June that year. We recovered 42.7-gigawatt-hour this quarter, the largest reduction reported as compared to other quarters in the year as a consequence of the recovery of our loss-fighting actions, which were affected in quarters two and three because of the resolutions

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of the Brazilian government. We still suffer the effect of the restrictions arising from the pandemic, which is not over yet. With a reduction of billed energy for manufacturing, consumers, government services, and free and commercial customers, we have reduced the market which generates what we call the base impact effect, increasing the percentage losses. In spite of all adversities, we were able to recover a significant amount of energy.

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About the evolution of this indicator along the year, December, if we look at the last 12 months, presented four concessions above regulatory losses. Paraíba, Mato Grosso, Mato Grosso do Sul and Rondonia, with a recovery of the concessions in Sergipe and Minas Gerais, which were above the regulatory limit in the last two quarters and three quarters, respectively.

Now, I would like to highlight two companies that account for 42.6% of the total losses of the Group. Energisa Mato Grosso accounted or presented rather, it's indicated lower than the regulatory for three quarters in a row until March 2020. In spite of the growth in the curve of losses in the last three quarters, it already shows an indication of a 77% reduction in the speed of growth between the fourth and third quarters last year. Mato Grosso do Sul was below the regulatory limit in the third quarter, but went up again in the fourth quarter due to the growth now of technical losses because of a thermal plant had to be -- we stopped it. It was located other region, close to the center of load which made us use the energy from further away points.

As compared to 2019 December, the impact attributed to the increase in technical losses was 0.2 percent points, [ph] but it was partially offset by the reduction in non-technical losses, which has been presenting a downwards trajectory since September 2019, and was practically in line as compared to 2020.

On Slide 8, nine of our 11 distribution companies remained within regulatory limits for the indicator of SAIDI, with a highlight for our star companies, Borborema, Sul-Sudeste, Mato Grosso and Tocantins, which have presented mere historical lows. Energisa Nova Friburgo was slightly above its regulatory limit because of systemic failure that was major and took place in October in the system of its supplier. Energisa Minas Gerais was also affected by the same failure. But we're taking the due legal measures for these effects to be taken out from the indicators of these two companies. And as a last-minute piece of news, today we became aware that the legal provision for these effects not to be computed has been accepted, and therefore, they will not affect ANEEL's quality ranking for Energisa Minas Gerais. As to SAIFI, all our 11 distribution companies were below their regulatory limits with a highlight for Energisa Acre, which was acquired in 2018, and presented its historical low in the fourth quarter.

Delinquency and billing or collection. The consolidated collection rate of Energisa Group in December 2020 for 12 months was 96.61% as compared to total billed in the period, a reduction of 0.3 percent points [ph] as compared to December 2019, and very close to the indicator of the month of September 2020, which reached 96.67%. This reduction of 0.3 percent points compared to December 2019 was impacted by the socio-economic crisis caused by COVID-19, and by the measures of Resolution 878, which limits the cutting

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of our low-income customers from March 24, 2020, until December 31, the same year. As to other segments, this restriction lasted until August 2020.

The impact of these limitations accounted for 0.25 percent points of the drop that we are reporting. On the right-hand side, you can see, monthly collection amounts as a proportion of the total collections. As you can note, the worst month was November. So the reduction was the highest in October, and as a consequence, because of increase in family consumption. In the month of November and December as a result of our efforts, we were again close to 100% collection, but the challenge is still there. In the year, we have reached 34,000 transaction of payment with installments with a credit card, which was implemented in August. In addition to other measures such as robots for tele-collection and other actions that we had already used and were intensified along the second half of the year. This quarter, we go on also reporting a reduction in bad debt. The provision for a bad debt amounting to BRL8.9 million, totaling BRL38.5 million in the second half of 2020.

We closed the year with BRL380.4 million in provisions for bad debt in contrast with BRL212.5 million in 2019. This difference of BRL167.9 million can be as -- and of it, [ph] we may say that BRL150 million approximately is a result of limitations caused by the pandemic.

And in this slide, now I will give the floor to Mauricio Botelho, who is going now to present the financial highlights of the quarter.

Mauricio Perez Botelho {BIO 2105889 <GO>}

Thank you very much, Ricardo. Good afternoon, ladies and gentlemen. Now could you please refer now to Slide 11, and we are going to talk about PMSO in the quarter and in a year. So the manageable PMSO costs in Q4 '20 totaled BRL836 million, a reduction of BRL91 million as compared to Q4 '19. We closed the year with a significant reduction of BRL319 million, or 11% below the year before as a result of our fast work in holding expenses and a more intensive application of automation and digitalization of our operational processes. In spite of all these actions to adapt to the new scenario, I can say that we did not affect the provision of essential services to our customers.

We should also highlight the companies that have contributed the most for this reduction in the comparison of Q4, where Energisa Rondonia, with a reduction of BRL57.9 million, followed by Sul-Sudeste with a drop of BRL19.4 million, and Acre with a low of BRL6.1 million. In the year, all distribution companies of the Group have presented a reduction with a highlight of Energisa Rondonia with the amount BRL146.2 million, then Mato Grosso with a reduction of BRL52.9 million, Mato Grosso do Sul, Sul-Sudeste, Acre, Paraiba, (inaudible) which, together, had a drop in their manageable expenses of BRL135.8 million.

It's important to highlight that what helped in cost reduction were some changes in the habits of our customers during the pandemic and the effect, especially in the digital channels, have reached 66% of the flow of the request for services from our customers, which represented a growth in 10 percent points in the share as compared to the pre-

pandemic period. Example: this reinforced the process that Energisa had already started even before the pandemic of digitalizing our operational processes.

Now moving to Slide number 12, you can see the EBITDA of the fourth quarter with an increase 15.7%, or BRL152 million as compared to Q4 '19. This performance is explained especially because of an increase of the B Parcel of the distribution companies. Additionally, we also had the reduction of the cost in PMSO in eight of the 11 distribution companies of the Company. Year-to-date numbers, EBITDA has grown BRL431 million as a result of the significant growth of the residential segment, which is the segment with the highest margin, and also the rural segment, in addition to a significant reduction of 11% in PMSO costs. The EBITDA without the non-cash and non-recurring effects in 2020 as compared to 2019 had a growth of 53.6% in the quarter and 20.6% in the last 12 months.

Now moving to Slide number 13, here, you can see the details of the effects of reduction of operational costs, year-to-date numbers for every quarter and their share as compared to EBITDA. Note here, please, that the EBITDA of the last 12 months, that ended in the first quarter, has grown from BRL3.52 billion to BRL3.93 billion. PMSO went down from BRL2.73 billion to BRL2.59 billion. In this manner, the ratio between PMSO over EBITDA went from 77.6%, down to 65.8%.

According to the guidance that management gave when we reviewed the budget and announced it to the market, there was an 11% reduction in PMSO. It has exceeded our initial expectation that we had said it was going to be between 5% and 7%, which positions us with the biggest reductions in PMSO in the electric power distribution industry in Brazil.

Now on Slide 14, you can see the net income. So the net income in this quarter of BRL192 million compared to BRL353 million in Q4 '19, and BRL1.6 billion as compared to BRL527 million in the 12 months of 2019. Excluding the effects marking to market of subscription bonuses, which had different effects in addition to non-recurring non-cash effects, we are reporting a significant growth in both periods, meaning 87.2%, or BRL145.9 million between quarters and 93.8%, or BRL546.8 million if we compare 2020 to 2019.

Now if we go to Slide number 15, to see the net debt. So the net debt was about BRL13.6 billion, in line a same amount in September 2020. In the year, we conducted 56 operations considering the rolling and longer-terms and long-term financings, which totaled BRL6.1 billion. We ended the year with a robust cash position of BRL6.6 billion as compared to BRL3 billion in 2019.

And the average time for the gross debt is 4.3 years, with the average cost of 4.54% per year as compared to 4.17% in September 2020. Our main index is the CDI, with 68.5% of the debt. The leverage indicator, net debt over adjusted EBITDA closed the year with 3.1 times as compared to 3.6 times in 2019. So this year, it was much smaller than last year. We should make it clear that the covenant limit for net debt over EBITDA for the year 2020 is 4.25 times, and for 2020, slightly down. This limit will be 4 times, meaning we are in a very comfortable situation with this indicator.

Now, on slides 16 and 17. And this is the result of our budget revision to adapt to the environment of the pandemic. The investments represented a reduction of 32.1% in the last quarter and 14.5% in the year, totaling BRL2.7 billion invested in 2020. Considering distribution companies only, the amount invested was BRL544 million in the fourth quarter 2020, and BRL2.3 billion for the whole year. On Slide 16, you can see the historical evolution of investments since 2015, going from a level of BRL1.6 billion to BRL2.7 billion.

Now on Slide 18, we can talk about the investments that we are planning for 2021, amounting to BRL3.9 billion, of which 71.6% will be directed to distribution companies, with a highlight to Rondonia, Mato Grosso and Mato Grosso do Sul, which all together, will add up to BRL1.8 billion, or 46% of total investments. Of the total considered for special obligations, BRL763 million, or 53% will be invested in Rondonia concession, and 14.5% in Mato Grosso.

Of the investments estimated for 2021 in our transmission segment were 21.5% of the total amount invested by the Group. This amount includes projects in Tocantins, with BRL389.7 million or 46.7%. Also, the concession in Amazonas, recently acquired in the auction December last year, was BRL318.6 million, 38.2%, and Para II, with BRL120 million, or 14.4%.

Now, taking the opportunity and since we are talking about transmission, we go to Slide number 19. Here, we are presenting our five transmission undertakings, which account for BRL261.8 million of our PAR, our permitted annual revenue. So Amazonas has a PAR of BRL63 million, an annual investment of BRL882 million. This project is different from the others because in addition to new assets, it also includes the incorporation of existing assets that belongs to Amazonas GT, also, the revamping and the replacement of existing substations. As to existing assets, we are going to disburse to Amazonas GT BRL257 million, which is already part of the total ANEEL CapEx. Considering and because of these aspects, this transmission company is going to start receiving 30% of the PAR this year 2021. After this, we sign a contract in the March 31, '21, we're expecting an average anticipation of the day when it's going to start its operations and will increase the reliability of the distribution system in the region, the metropolitan region of Manaus and Presidente Figueiredo, both in the state of the Amazonas.

We are very confident with the technical features -- environmental features and also because they provide us a benefit for the construction and operational management of this project. We are also -- to finance the project, we are going to assess the issuance of the infrastructure debentures and access to the Banco da Amazonia, the Amazonian bank, which are widely used alternatives and have been widely used by Energisa in other projects. As to Para II, we have energized in February 2021, a distance of 72.3 kilometers out of 139 kilometers. We have invested in this space BRL80 million of an estimated total of BRL340 million. The PAR is BRL3.1 million, BRL8.6 million of total revenues of this venture.

I end now my presentation, and I am available to you to make any comments and to ask any questions you may want. Now please, operator?

Questions And Answers

Operator

Thank you. We're now going to start our question-and-answer session. (Operator Instruction) Our first question comes from Carolina Carneiro from Credit Suisse. Please, Carolina?

Q - Carolina Carneiro

Good afternoon. Thank you very much for the call. I have two questions. Number one. Other businesses other than distribution, although the share of distribution is still small but it's been growing more and more and we see in other revenues, the marketing company. So could you give us some more color especially with the highlights of -- that you mentioned in your press release of Alsol? So what are your plans for 2021?

And the second question regarding the provision for bad debt. You highlighted that in spite of the crisis, we are at a provision for bad debt level that is under strict control. But at the end of the year, no -- the restrictions for the suspension of supply to customers was lifted. So in the first months of the year, did you note any difference in the behavior of accounts payment with a slight deterioration of income as compared to we saw late last year?

A - Unidentified Speaker

So Ricardo, so can you please answer the first part, and then we can -- Newton can answer?

A - Ricardo Perez Botelho {BIO 2105867 <GO>}

Carol, good afternoon. This is Ricardo. About the other business lines of the Company, we have been announcing to the market that we are going to intensify our strategy to offer new products and services related to energy and also some verticals such as, for example, the fintech. And all of this is part of the strategy of positioning ourselves as a platform based on local presence and our capillarity of 20 million people that we serve, 8 million consumers throughout Brazil. And this process is going to advance.

For example, Alsol acquired in 2019, so today it has a growing portfolio within the modality it operates on, which is the lease of solar quotas and solar farms. It closed at approximately 27 megawatts last year in terms of the whole farm and solar quotas. And this year, it has already built 15 new solar farms, totaling at the end of 2021, about 76 megawatts, our peak in terms of projects for the lease of solar quotas. But this company does much more than that. It has projects in many other such as solar mobility. And these are projects that are being developed for the market. And we think that these projects will contribute with additional revenue. And we cannot yet estimate everything because these projects are still undergoing experimentation. We are testing them. We do not yet have any significant revenue.

And as the commercial company, they are constituted and consolidated companies in the market. And Energisa, the sales company has reached the 23rd position in marketed energy in our Brazilian ranking. And it was the progress as compared to 2019. This unit -- the sales company has been in operation for quite a few years. And Energisa Solucoes has a quite diversified portfolio, which is very much related to this wave of digitalization, specialized energy services that we call 4G.

So this is an overview of what we are doing, and what we are talking about this year as compared to last year. And our expectations with this consolidated investment company and other companies also within their historical perspective.

Newton, could you answer Carol, please?

A - Newton Santos

Good afternoon, everyone. Good afternoon, Carol. Really, the provision for bad debt was a challenge last year, and it's still a significant challenge. We were able to have a good performance last quarter, but the initial performance of our cut processes, [ph] starting last year, we will be able -- we've been able to cut the low-income and delinquent customers. Unfortunately, we cannot yet give you or publish the numbers for 2021, not yet. But we see a trend of keeping a reduction trend over the next few years, especially depending on the effects of the pandemic and what we've been seeing on the pandemic over the past few days, and what will be its effects in our delinquency rates and our collection strategies. But we started the year with the possibility of being able to cut and the results that we are seeing with the projections.

Q - Carolina Carneiro

Thank you.

A - Unidentified Speaker

There is a question in the chat and it's been addressed here. And when we were talking about delinquency rates (inaudible) what about PMSO looking into 2021? Can we expect a growth in line with IPCA year-on-year?

And in answering this part, yes, we do expect a recovery in expenses in line with IPCA. And as a reminder, that part of the reduction of operational costs in 2020 was because of the delay of certain services that were not done in the year, considering the slightly -- the peculiar that -- demand that we had in the year. So saying that it's going to IPCA, plus something, plus a little bit more, sounds reasonable.

Now, let's move to the next question. Marcelo wants to ask a question.

Operator

Okay. Our next question comes from Marcelo Sa from Banco Itau. Mr. Sa, please?

Q - Marcelo Sa {BIO 16454581 <GO>}

Good afternoon, and thank you for your call. I do have a question about your PMSO methodology that ANEEL has reported. So there were some significant questions of including the second dimension. In terms of losses, and also in terms of labor penalties that are part of this -- these numbers that led some segments of Energisa to lose efficiency comparatively. The last time we talked, there were some inconsistencies. And I would like to understand how have been your discussions with ANEEL evolving? Whether there is any significant change of our public agency? I think in Mato Grosso do Sul, there was a significant impact of those changes. Thank you.

A - Unidentified Speaker

I am going to move -- give the floor to Alexandre Nogueira, our Regulation Officer to answer the question.

A - Alexandre Nogueira Ferreira {BIO 19917568 <GO>}

About the public consultation that opened recently, what I can tell you and in analyzing all the contributions that have been provided in the public consultation is that most of them request ANEEL to review its database. So the information that was used to draft the proposal needs to be improved. And this update is very relevant because it changes completely the parameters of the ranking. So this is a discussion that is going to go on along the year, and this is a work of updating the database, and we regard that as necessary.

I'm not really sure whether ANEEL will have a new phase to discuss that. But we think that in the second half of the year if there isn't any definition, it will be in the second half of the year and the companies that are related to that. There's a lot of improvements to be made and many suggestions for improvements -- many opportunities for improvement on the issue of losses and quality being addressed as input, not as an output, as ANEEL used to deal with it. So this has driven ANEEL to have the methodology today in effect as an output with a negative end or output.

Q - Marcelo Sa {BIO 16454581 <GO>}

That's good. Thank you. I have another question. From the time, ANEEL said they were going to review the cost bases every four or five years according to the methodology, and today, it's every two years. And my question is more -- what about companies that are undergoing a turnaround process? Because if we take very old numbers, it will not capture all improvements on the Company and more -- it doesn't affect the distribution companies that you have purchased or acquired, then how couldn't it have a negative impact?

A - Unidentified Speaker

So there was an increase in the two years. The specific point here is -- doesn't regard the ranking of efficiency. It regards the fact and for a larger period. So on ANEEL's side, I think it would be worthwhile checking our specific contribution. It is very complex, especially in terms of updating information and also in terms of the contribution. And this -- we worked very much on salaries to try to define the process and work on that -- with it. So that with

this aspect, there was a strong subsidy so that we could adopt and the measurement of costs.

Q - Marcelo Sa {BIO 16454581 <GO>}

Good. It's great. And if you allow me and continuing the previous question about delinquency rates. So there is a monthly delinquency number, and I think that the number of December was about 30%, and January went up to 9%. And this really scared many people thinking that delinquency rates in the industry had gone up. Could you comment this number that it's published by MME? Or if really the delinquency rates have gone up?

A - Unidentified Speaker

So, Alexandre Nogueira, again.

A - Alexandre Nogueira Ferreira {BIO 19917568 <GO>}

What you want to relate [ph] between the ministry that were accounted or the numbers of the ministry? Take into account delinquency flows in a period, doesn't take into account the calculations or the accounts that were in arrears, but that have been renegotiated. So we also take into account these numbers and what we -- it considers what we can receive or not. It's a different (Multiple Speakers)

Q - Marcelo Sa {BIO 16454581 <GO>}

I understood that it's a different system or method for calculation. But my question is not about specific or absolute numbers, but more about the trend, of a sharp increase in delinquency rates from -- between December and January.

A - Unidentified Speaker

Just a minute, please. Mauricio?

A - Mauricio Perez Botelho {BIO 2105889 <GO>}

So you understood Newton's answer, and he mentioned our outlook for 2021, right?

A - Unidentified Speaker

Newton, would you like to say something else?

A - Newton Santos

Yes. Good afternoon again. Overall, ANEEL and MME, the Ministry of Mines and Energy, and so it's usually better. And then the industry-specific moving average, and it's very normal to have short-term delinquency rates. They vary and sometimes it's a little bit more here or there, and it goes up and then down. So usually, the Ministry have an industry-specific average. So our benchmark for the industry and Energisa has been systematically outperforming those numbers. And we cannot yet confirm the numbers for January.

Operator

Our next question comes from Andre Sampaio from Santander. Mr. Sampaio, please.

Q - Andre Sampaio {BIO 19422379 <GO>}

Good afternoon. I would like to ask a question about another regulatory theme. So can we go into a potential discussion about CAIMI this year? And it sounds like that this is going to be rolled over for 2022. Is there any movement in ANEEL in terms of you're going back to that matter? Or it's going to be postponed to 2022, or what?

A - Unidentified Speaker

Well, we do not yet know when this is going to be revealed. So this is going to be -- it's not in -- really in the agenda for the next six months.

Q - Andre Sampaio {BIO 19422379 <GO>}

If you allow me to ask another question about the VII Commission? [ph] Always everything the same, but they're not really indicating anything?

A - Unidentified Speaker

So nothing has come up. BNDES is still thinking about that, obviously, as a public manager. But we haven't seen any formalities in terms of what they're going to do with the subscription bonuses.

Q - Andre Sampaio {BIO 19422379 <GO>}

Good. Thank you.

Operator

(Operator Instruction) Thank you. Now, I would like to give the floor back to Mr. Mauricio Botelho for his closing remarks. Please, Mr. Botelho?

A - Mauricio Perez Botelho {BIO 2105889 <GO>}

Well, I thank, everyone, for your presence at our conference call. As Ricardo said in the beginning of our presentation, the year was very challenging, but in spite of that, I think that Energisa, with discipline and tradition, was able to turn around its position with the sustainability of the industry. So we are here. We are happy with the results, and we are confident that we will continue evolving. Thank you all very much.

Operator

Thank you. The conference call to discuss the results of Energisa has now ended. We kindly request you to disconnect your lines. And have a good afternoon.

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