

4Q20 Results



CPFE

B3 LISTED NM

IBOVESPA B3

IBRX B3

IEE B3

ISE B3

ICO2 B3

IGC B3

ITAG B3



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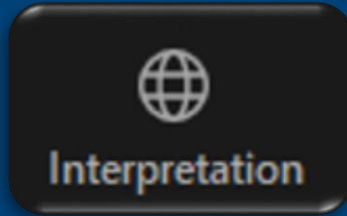
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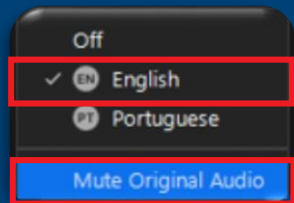
Initial Guidelines

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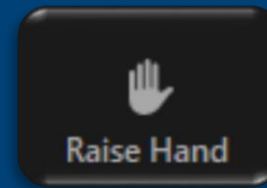
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Q&A Session

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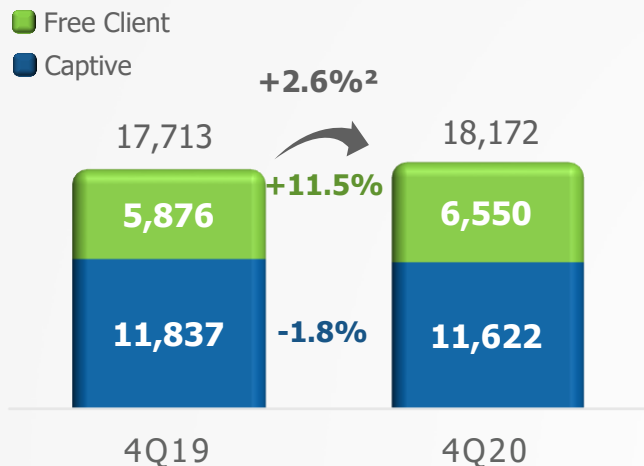
Highlights

- ✓ **Load in the concession area: +2.6% in 4Q20 and -1.7% in 2020**
- ✓ **EBITDA of R\$ 1,921 million (+10.4%) in 4Q20 and of R\$ 6,780 million (+6.0%) in 2020**
- ✓ **Net Income of R\$ 989 million (+15.5%) in 4Q20 and of R\$ 3,707 million (+34.9%) in 2020**
- ✓ **Net Debt of R\$ 15.7 billion and leverage of 2.19x Net Debt/EBITDA¹**
- ✓ **Conclusion of the plan of CPFL Renováveis' integration to CPFL Energia Group**
- ✓ **Solution for the GSF in the free market, in the amount of R\$ 140 million (impact on EBITDA in 2020)**
- ✓ **Investments of R\$ 880 million (+30.9%) in 4Q20 and of R\$ 2,808 million (+24.6%) in 2020**
- ✓ **Management Proposal of dividends in the amount of R\$ 1,731 million, R\$ 1.50/share**

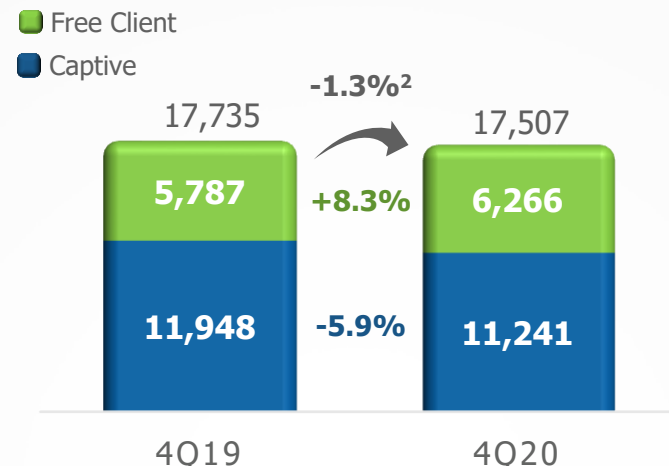
- ✓ **SAIDI and SAIFI of all discos are below ANEEL limits**
- ✓ **Positive tariff adjustments for parcel B, reflecting the impact of the IGP-M and investments in RAB**
- ✓ **Gameleira Wind Complex entry into operation as of 2Q21, 2.5 years before Aneel's official deadline**
- ✓ **Entry of CPFL Energia's shares in the Ibovespa, MSCI, ISE, ICO2 indexes and in Santander's ESG portfolio**
- ✓ **CPFL Energia was recognized by Credit Suisse, in its Global ESG Report, as one of its analysts' favorite shares**
- ✓ **Release of the 2020-2024 Sustainability Plan and entry into the "Liderança com Impacto" Program with UN Global Compact Network Brazil (SDG 3 – Good health and well-being)**
- ✓ **Pilot Project of electrification of operational fleet in Indaiatuba-SP**
- ✓ **CPFL Energia is part of CDP's Supplier Engagement Leaderboard**

4Q20 Energy Sales

Load¹ in the concession area | GWh

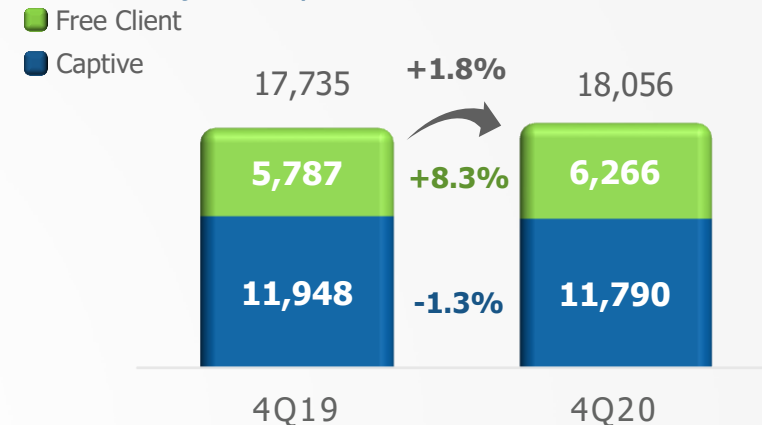


Sales in the concession area | GWh

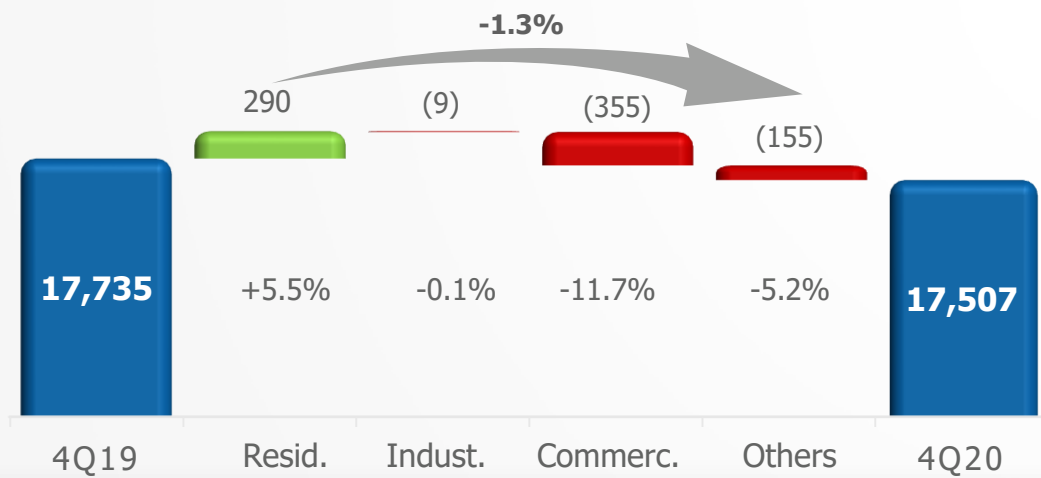


Sales in the concession area | GWh

Adjusted by Aneel Resolution No. 863/2019



Sales by consumption segment | GWh



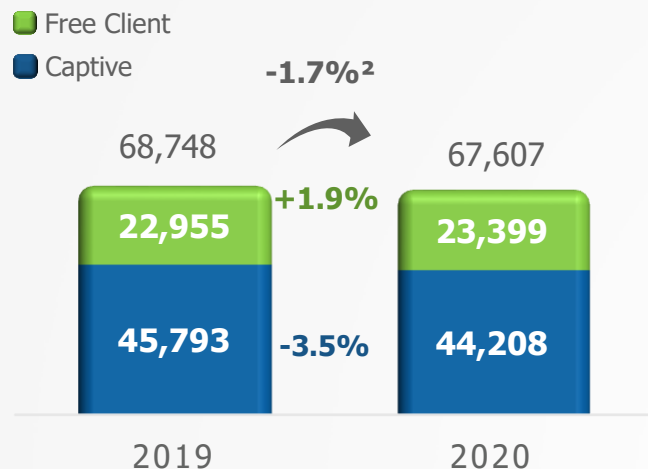
Main impacts by segment | %

	Resid	Ind	Com	Others	Total
Billing calendar	-1.0%	-0.6%	-1.0%	-1.1%	-0.9%
Temperature	3.7%	0.0%	0.8%	-0.1%	1.2%
Migrations	0.0%	-1.6%	0.0%	0.0%	-0.6%
DG	-1.2%	-0.2%	-1.6%	-0.6%	-0.8%
REN.863/2019 ³	0.0%	-3.2%	-5.2%	-6.2%	-3.1%
Macroeconomics/ Others	4.0%	5.5%	-4.8%	2.7%	2.8%

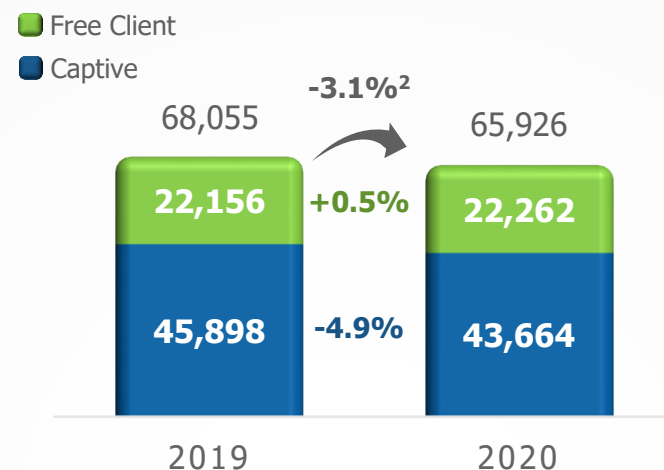
1) Load net of losses; 2) If excluding the migration of large consumers, the load and the sales within the concession area in 4Q20 would have the following variations: +3.1% and -0.7%, respectively; 3) Aneel Resolution No. 863/2019 determined the reading and billing adjustment for the calendar month for Group A captive customers.

2020 Energy Sales

Load¹ in the concession area | GWh

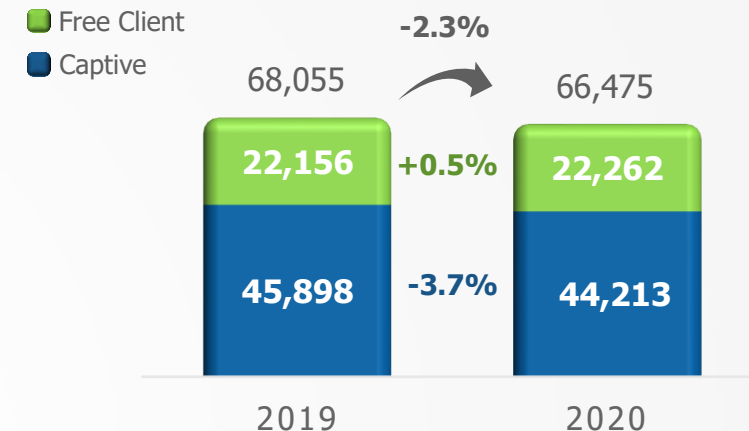


Sales in the concession area | GWh

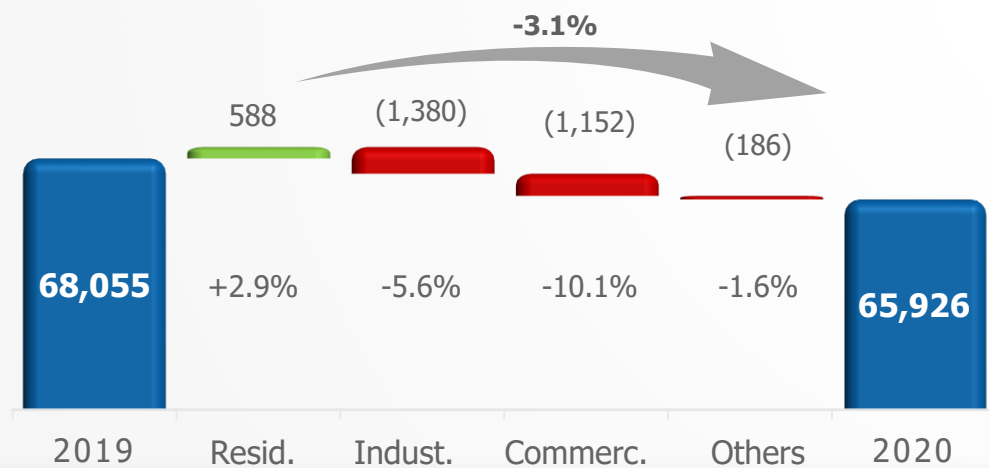


Sales in the concession area | GWh

Adjusted by Aneel Resolution No. 863/2019



Sales by consumption segment | GWh

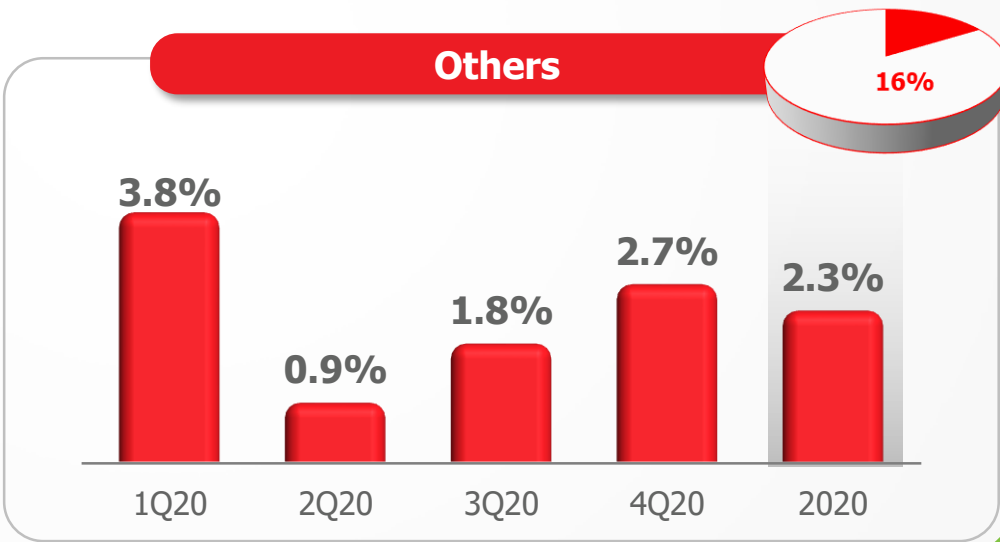
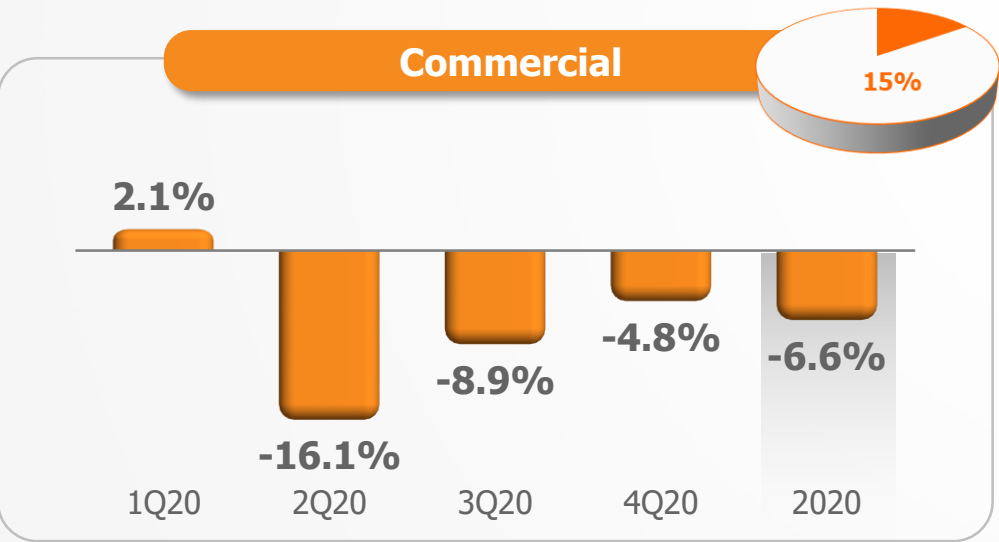
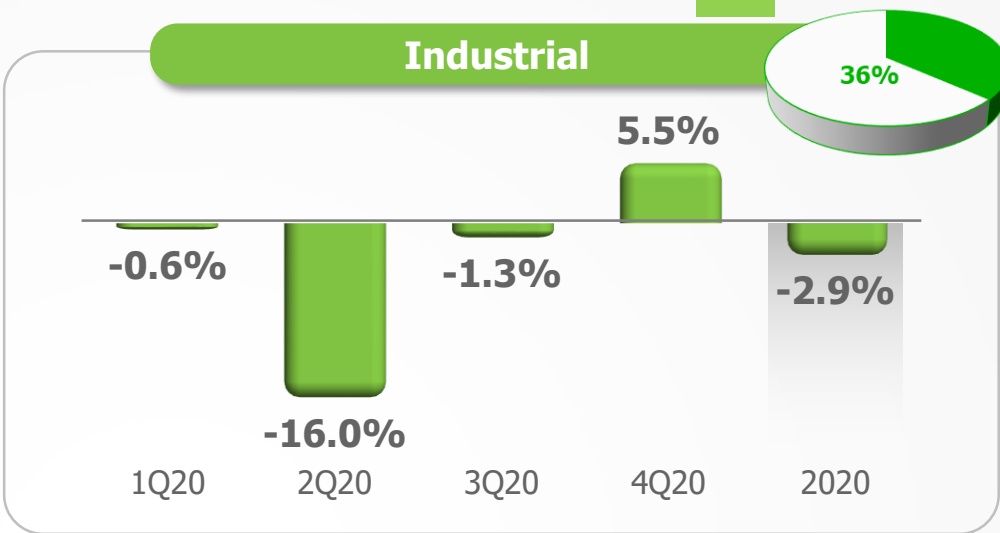
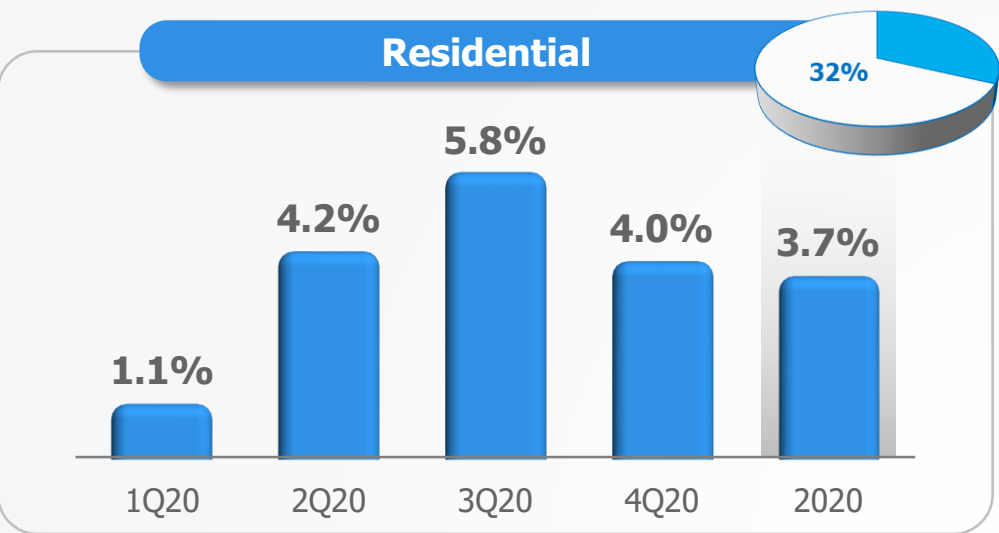


Main impacts by segment | %

	Resid	Ind	Com	Others	Total
Billing calendar	0.2%	-0.2%	0.2%	-0.2%	0.0%
Temperature	-0.1%	0.0%	-0.9%	-0.2%	-0.2%
Migrations	0.0%	-1.5%	0.0%	-1.5%	-0.8%
DG	-0.9%	-0.2%	-1.3%	-0.4%	-0.6%
REN.863/2019 ³	0.0%	-0.8%	-1.4%	-1.6%	-0.8%
Macroeconomics/ Others	3.7%	-2.9%	-6.6%	2.3%	-0.6%

1) Load net of losses; 2) If excluding the migration of large consumers, the load and the sales within the concession area in 2020 would have the following variations: -1.1% and -2.3%, respectively; 3) Aneel Resolution No. 863/2019 determined the reading and billing adjustment for the calendar month for Group A captive customers.

Growth by segment in 2020 – adjusted figures¹



Despite the strong impact of covid-19 pandemic in 2Q20, segments presented a recovery in 2H20, ending the year with a decrease of only **-0.6%**, compared to a GDP of **-4.1%** in the same period

1) Adjusted by billing calendar, temperature, migrations, DG and Aneel Resolution No. 863/2019.

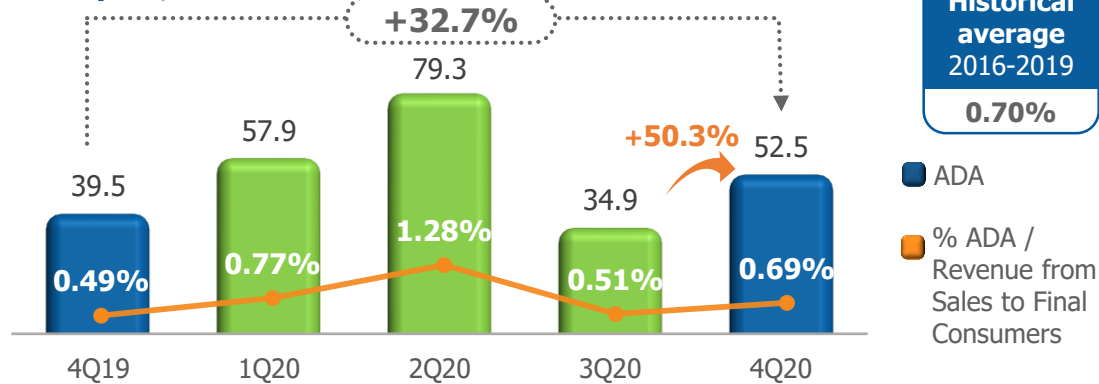


Delinquency and Energy Losses

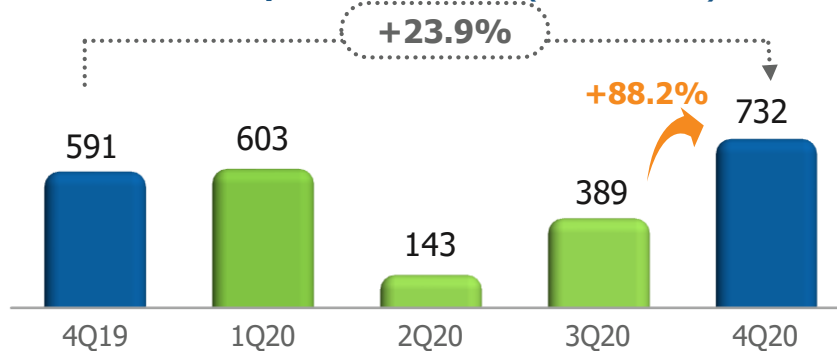
Delinquency

ADA | R\$ million

Historical average
2016-2019
0.70%



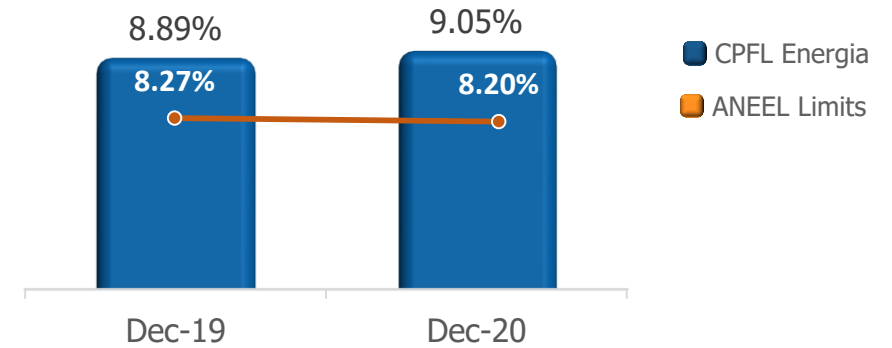
Collection actions | Power cuts (thousands)



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

Energy Losses

Losses | Last 12 months



✓ Excluding the differences in the billing calendar, losses in 4Q20 would have a variation of +0.01% (9.05% in 4Q20 vs 9.04% in 4Q19)

✓ Intensified actions against losses:

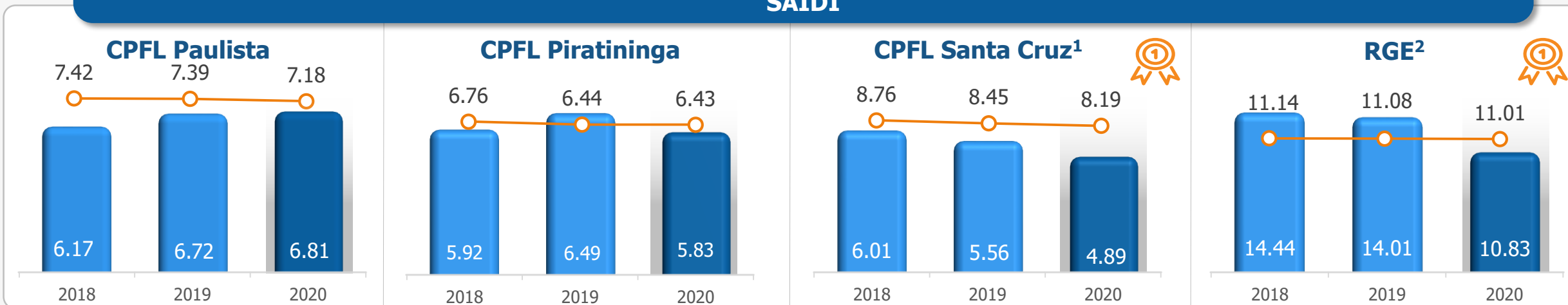
- 739 GWh of recovered energy (+8.5%)
- 599,000 inspections (+5.6%)
- Armored Box and measurement set roll-out, with more than 16k customers shielded



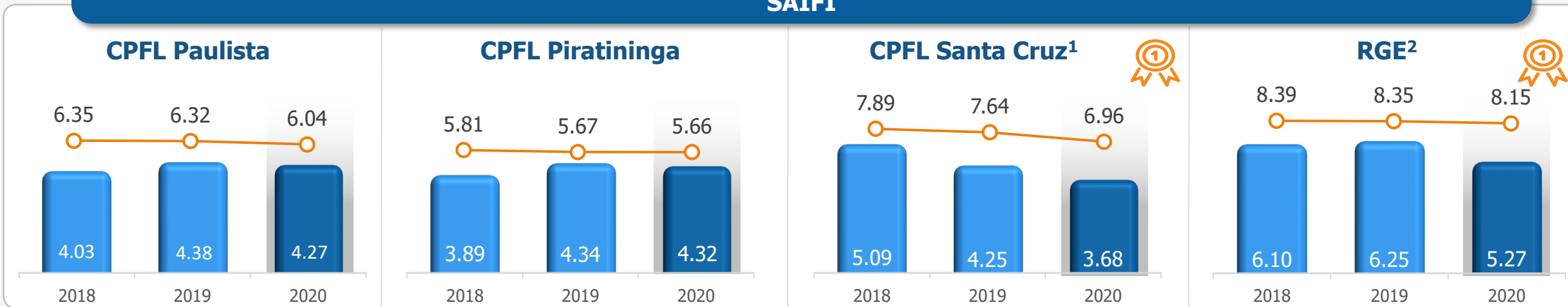
SAIDI and SAIFI

For the first time since RGE Sul acquisition, RGE's SAIDI was below regulatory levels
We also reached historical lows in CPFL Santa Cruz

SAIDI



SAIFI



■ Results

● ANEEL Limits

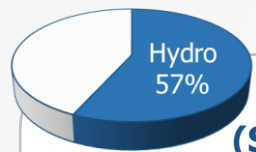


Best Historical Results

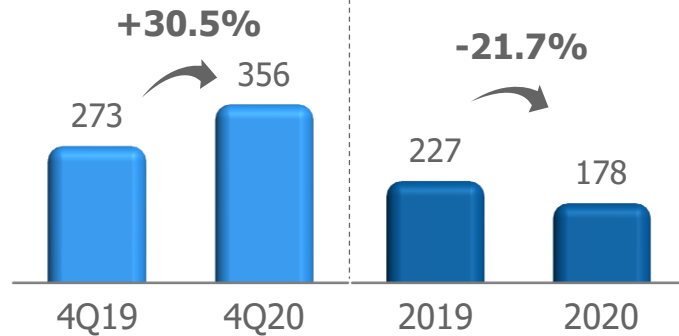
1) Since 2018, the concessions of CPFL Santa Cruz, Sul Paulista, Mococa, Jaguari and Leste Paulista have been unified, becoming a single distributor for purposes of calculating technical indicators;

2) Since 2019, the concessions of RGE and RGE Sul have also been unified.

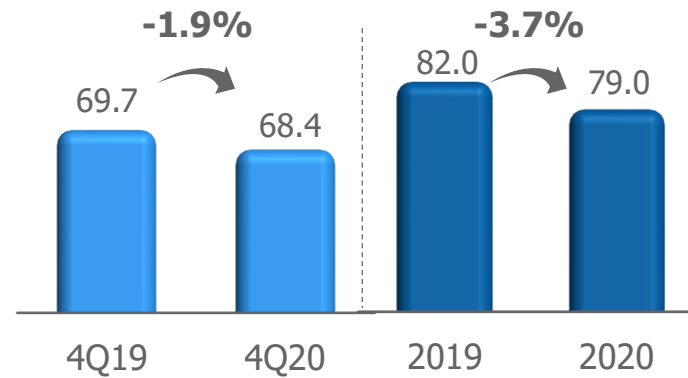
4Q20/2020 Generation



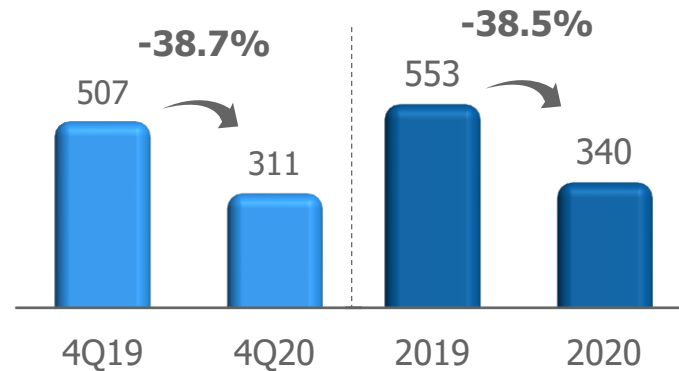
PLD¹
(SE/CW – R\$/MWh)



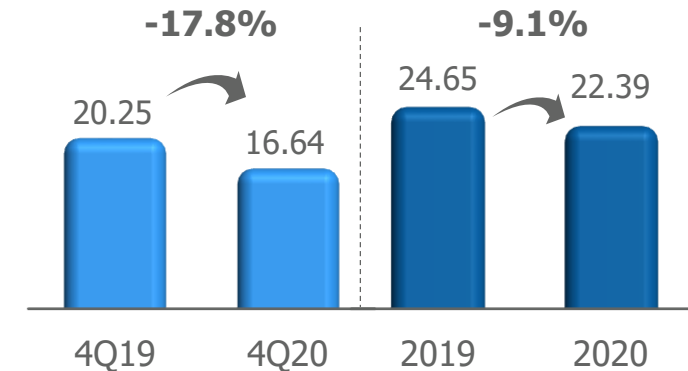
GSF



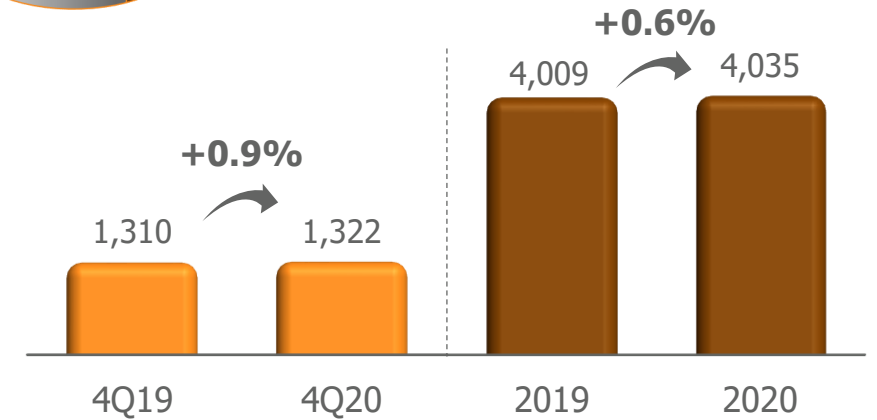
HPPs² – Flow - m³/s



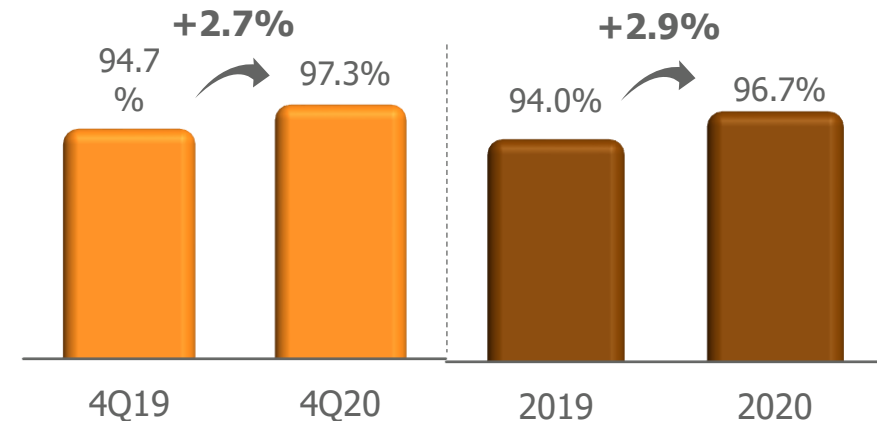
SHPPs - Flow - m³/s



Wind - Generation (MWh)



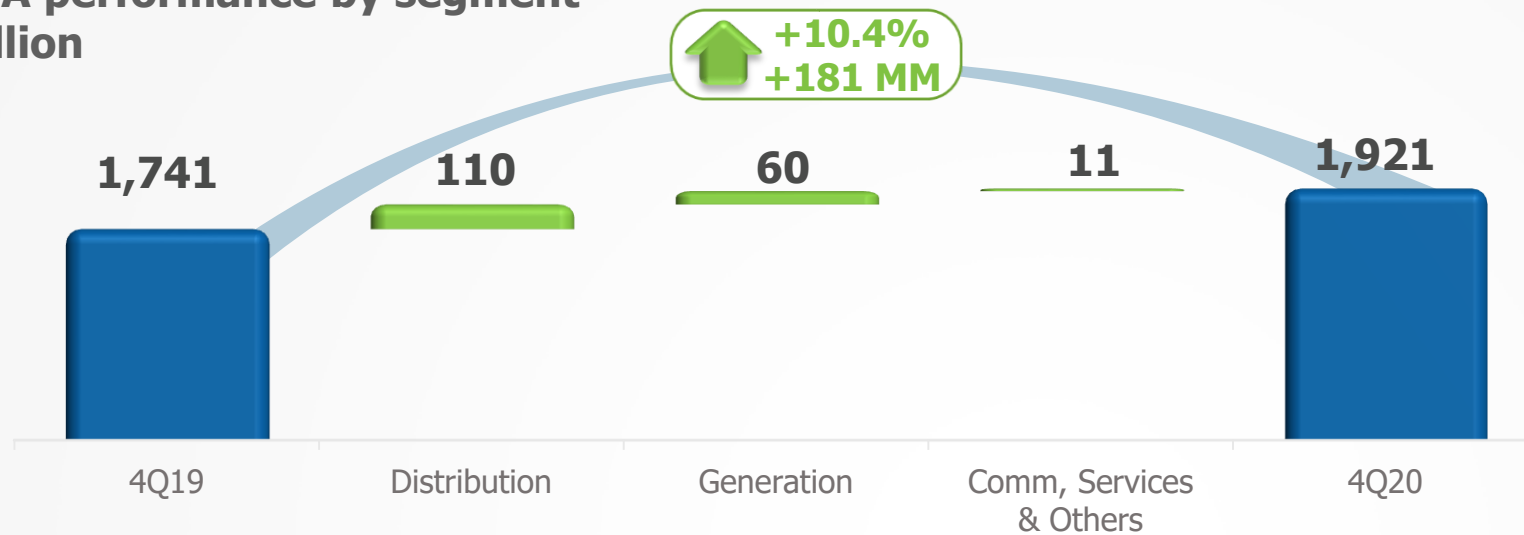
Wind - Availability



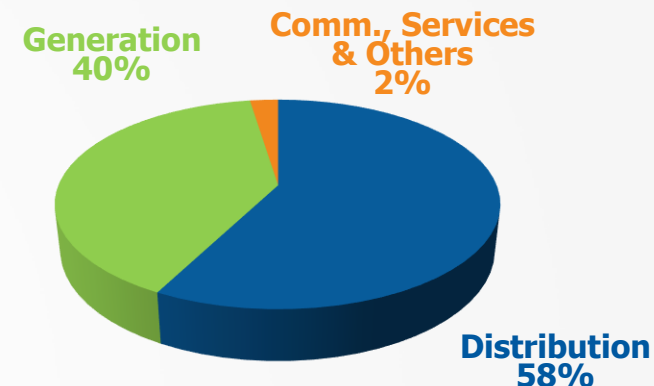
1) PLD: Monthly Average; 2) HPPs: Does not include Semesa. Weighted average by installed capacity.

4Q20 Results

EBITDA performance by segment R\$ million



EBITDA breakdown by segment



Distribution: R\$ 1,107 million (+11.0%)

- ✓ Concession financial asset (+R\$ 187 MM)
- ✓ PMSO (-R\$ 42 MM)
- ✓ Pension Plan (-R\$ 15 MM)
- ✓ ADA (-R\$ 13 MM)
- ✓ Others (-R\$ 6 MM)

IPCA	
4Q19	4Q20
0.57%	2.41%

Generation: R\$ 768 million (+8.5%)

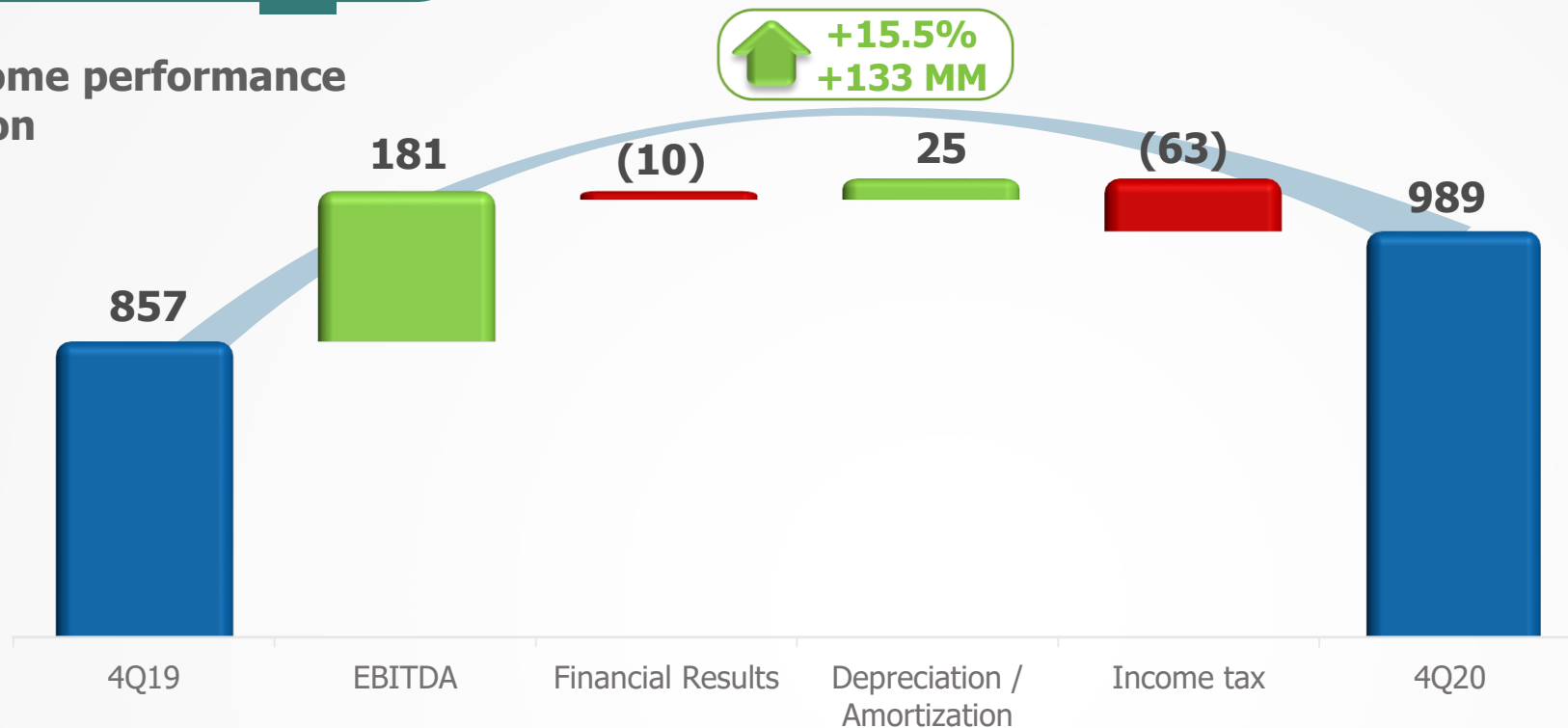
- ✓ Solution for the free market GSF (+R\$ 140 MM)
- ✓ Energy contract readjustments (+R\$ 34 MM)
- ✓ Assets write-off (-R\$ 44 MM)
- ✓ Epasa depreciation rate (-R\$ 25 MM)
- ✓ Higher UBP, due to IGP-M (-R\$ 22 MM)
- ✓ SHPP's contracts seasonality (-R\$ 14 MM)
- ✓ Others (-R\$ 9 MM)

Comm., Services & Others: R\$ 47 million (+31.3%)

- ✓ Commercialization (+R\$ 6 MM) – higher prices
- ✓ Services (+R\$ 6 MM) – mainly CPFL Serviços and CPFL Eficiência
- ✓ Others (-R\$ 1 MM)

4Q20 Results

Net Income performance
R\$ million



Financial Results



- ✓ MTM (-R\$ 81 MM)
- ✓ Late payment interest and fines (+R\$ 71 MM)
- ✓ Expenses with net debt (+R\$ 38 MM)
- ✓ Others (-R\$ 38 MM)

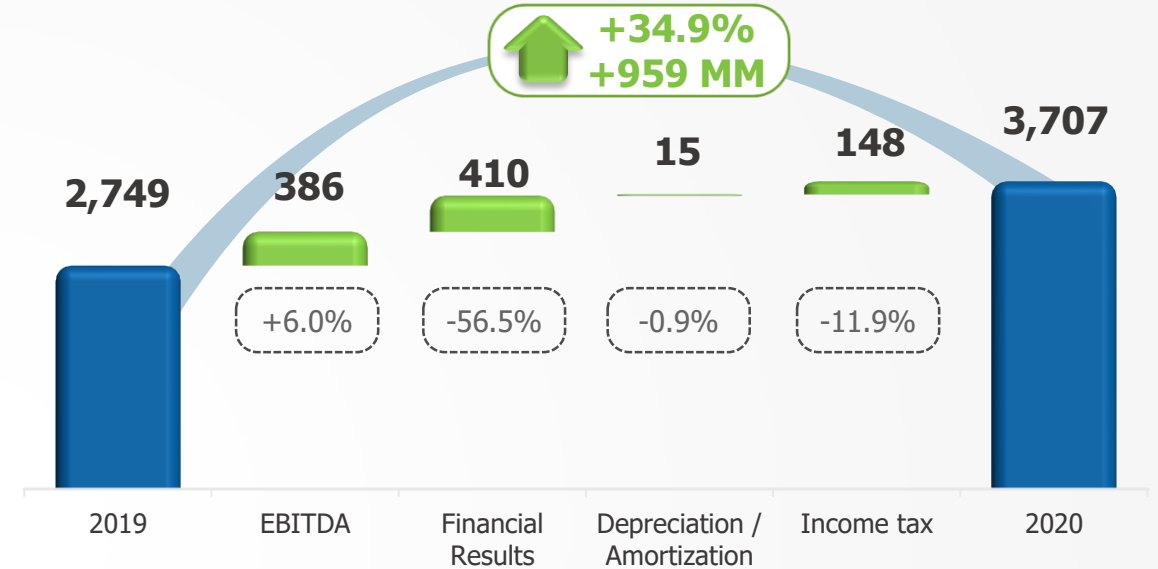
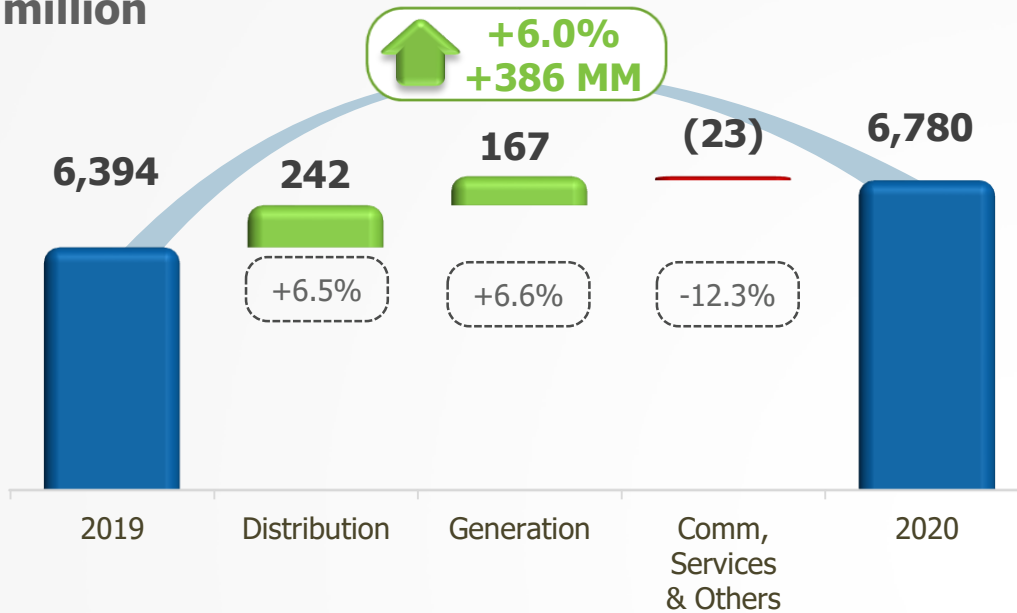
Income Tax



- ✓ Higher income tax due to better results

2020 Results

Performance of EBITDA and Net Income R\$ million



EBITDA

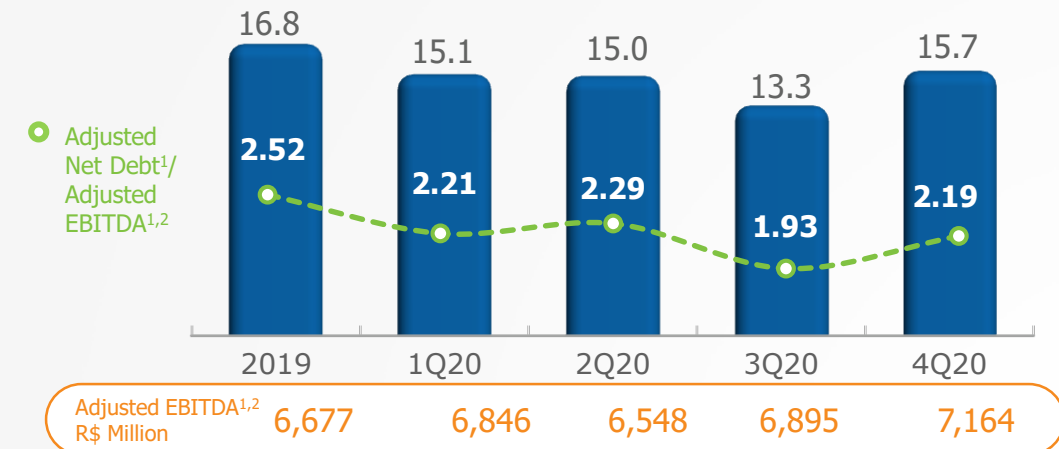
- ✓ Increase in Distribution segment (+6.5%), mainly favored by good performance in market/tariff and concession financial asset
- ✓ Generation reflecting the solution for the free market GSF and energy contract readjustments, partially offset by weaker results in Epasa and higher UBP, due to IGP-M

Net Income

- ✓ Financial results favored by lower cost of debt (+R\$ 376 MM), MTM (+R\$ 117 MM) and late payment interest and fines (+R\$ 112 MM), partially offset by monetary adjustments of regulatory assets (-R\$ 71 MM) and Re-IPO resources in 2019 (-R\$ 62 MM)
- ✓ Recognition of tax credits (+R\$ 323 MM), partially offset by higher income tax due to better results

Indebtedness

Leverage | Financial covenants criteria | R\$ billion

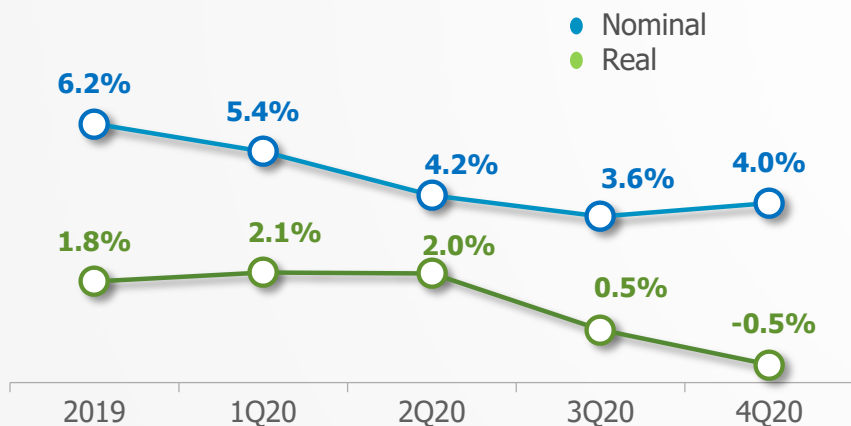


Management's dividend proposal

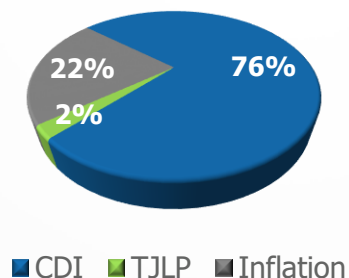
Given the current macro scenario and as the Company is evaluating potential M&A deals, Management is proposing dividends in the amount of **R\$ 1,731 million, R\$ 1.50/share** (50% payout ratio), to be approved in the next AGM, on April 30th.

A higher payout ratio will be implemented later this year if deals are not successful, following our plan to **balance growth and yield for our shareholders**.

Gross debt cost³ IFRS | End of period



Gross debt breakdown by indexer³ IFRS | 4Q20



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.

4Q20**R\$ 880 MM**
(+30.9%)**2020****R\$ 2,808 MM**
(+24.6%)

4Q20/2020 Capex

Distribution

81%

- Expansion, improvements and modernization of the grid
- IT / Vehicles / Equipment / Infrastructure

R\$ 716 MM
(+19.8%)**R\$ 2,317 MM**
(+13.9%)

Generation & Transmission

15%

- Construction of Gameleira wind complex and Cherobim SHPP
- Recovery and maintenance plan of plants and farms
- IT
- Construction of Sul I, Sul II and Maracanaú transmission projects

Generation
R\$ 91 MM
(+151.4%)Generation
R\$ 283 MM
(+105.5%)Transmission
R\$ 40 MM
(+307.1%)Transmission
R\$ 134 MM
(+539.5%)

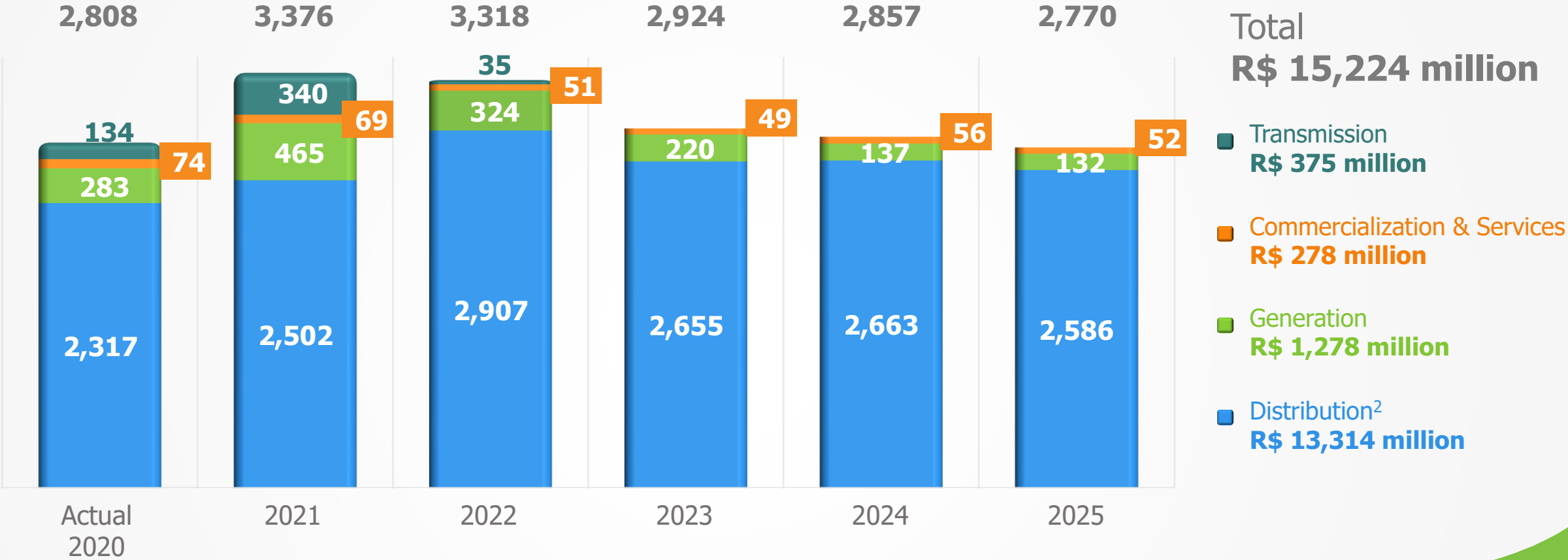
Commercialization & Services

4%

- IT / Vehicles / Equipment
- Energy Efficiency and Distributed Generation projects

R\$ 33 MM
(+16.2%)**R\$ 74 MM**
(+19.2%)

New Capex estimates¹ totaling R\$ 15.2 billion in 2021-2025



1) Constant currency; 2) Disregard investments in Special Obligations on Distribution segment (among other items financed by consumers).

Gameleira wind complex: entry into operation in 2021

- Wind farms: **Costa das Dunas, Figueira Branca, Farol de Touros** and **Gameleira**
- Location: **Rio Grande do Norte**
- Installed capacity: **81.7 MW**
- Physical guarantee: **41.0 MW average**
- PPA: **30% regulated market (2018 A-6 auction) | 70% free market**
- Capex: **R\$ 396 MM (-5% if compared to Aneel's grant)**
- Entry into operation (Aneel's official date): **Jan-24**

Full operation in 2021, with gradual entry of the farms from 2Q21 onwards

Generated energy during the anticipation period was sold in the free market



Sustainability Plan 2020-2024

Results achieved in 2020

Sustainable Energy

- ✓ **11.3 TWh** of generated renewable energy (**98.9% of total**)
- ✓ **14%** of reduction in GHG emissions in 2020¹
- ✓ **9,807** refurbished transformers
- ✓ **100% of critical components²** in the grid destined to reverse supply chain



Smart Solutions

- ✓ Jaguariúna-SP Project: **22,094 smart meters in Group B**
- ✓ Conclusion of the implementation of 100% of smart meters in Group A: **35,094 installed in 4 discos**
- ✓ **52.5%** of our total energy consumption is telemetered
- ✓ **86.5%** of digital customer services: **110 million** attendances | **90** services available
- ✓ **+54% digital bills**, reaching 3.47 million clients



Society Shared Value

- ✓ **"CPFL nos Hospitais": R\$ 72.2 million** invested since the beginning of the Program, benefiting **84 hospitals**, and **340k benefited** by Instituto CPFL programs
- ✓ **103.5k low income families** benefited by Energy Efficiency Program, with investments of **R\$ 50.8 million**
- ✓ **R\$ 31.1 million** invested in **programs with impact on society** by Instituto CPFL, through programs such as **"CPFL Jovem Geração"** and donations to fight covid-19 pandemic



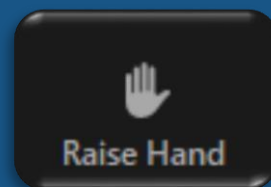
1) Considers scope 1 emissions (eg, burning fossil fuels, fleet, etc.) and scope 2 (technical losses and energy consumption);

2) Comprises posts, crosspieces, transformers, 15kV equipment and copper, aluminum and iron scraps.

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

