



# 2019

## Regaining Financial Solidity



Some statements and estimates in this material may represent expectations about future events or results that involve risks and uncertainties known and unknown. There is no guarantee that the events or results referred to in these expectations will occur.

These expectations are based on present assumptions and analyses from the viewpoint of our management, based on their experience, the macroeconomic environment, market conditions in the energy sector and our expected future results, many of which are not under Cemig's control.

Important factors that can lead to significant differences between actual results and projections about future events or results include Cemig's business strategy, Brazilian and international economic conditions, technology, Cemig's financial strategy, changes in the energy sector, hydrological conditions, conditions in the financial markets, uncertainty regarding future results of operations, plans and objectives as well as other factors. Because of these and other factors, our actual results may differ significantly from those indicated in or implied by these statements.

The information and opinions contained herein should not be understood as a recommendation to potential investors and no investment decision should be based on the truthfulness, or completeness as of the date hereof of this information or these opinions. None of Cemig's professionals nor any of their related parties or representatives shall have any liability for any losses that may result from the use of the content of this presentation.

To evaluate the risks and uncertainties as they relate to Cemig, and to obtain additional information about factors that could lead to different results from those estimated by Cemig, please consult the section on Risk Factors included in our Formulário de Referência filed with the Brazilian Securities Commission – CVM, and in Form 20-F filed with the U.S. Securities and Exchange Commission – SEC.

In this material, financial amounts are in **R\$ million (R\$ mn)** unless otherwise stated. Financial data reflect the adoption of IFRS

**Integrated Power  
Utility in Brazil**



**Market share in the  
free market**



**Market Cap  
US\$4.8B <sup>(1)</sup>**

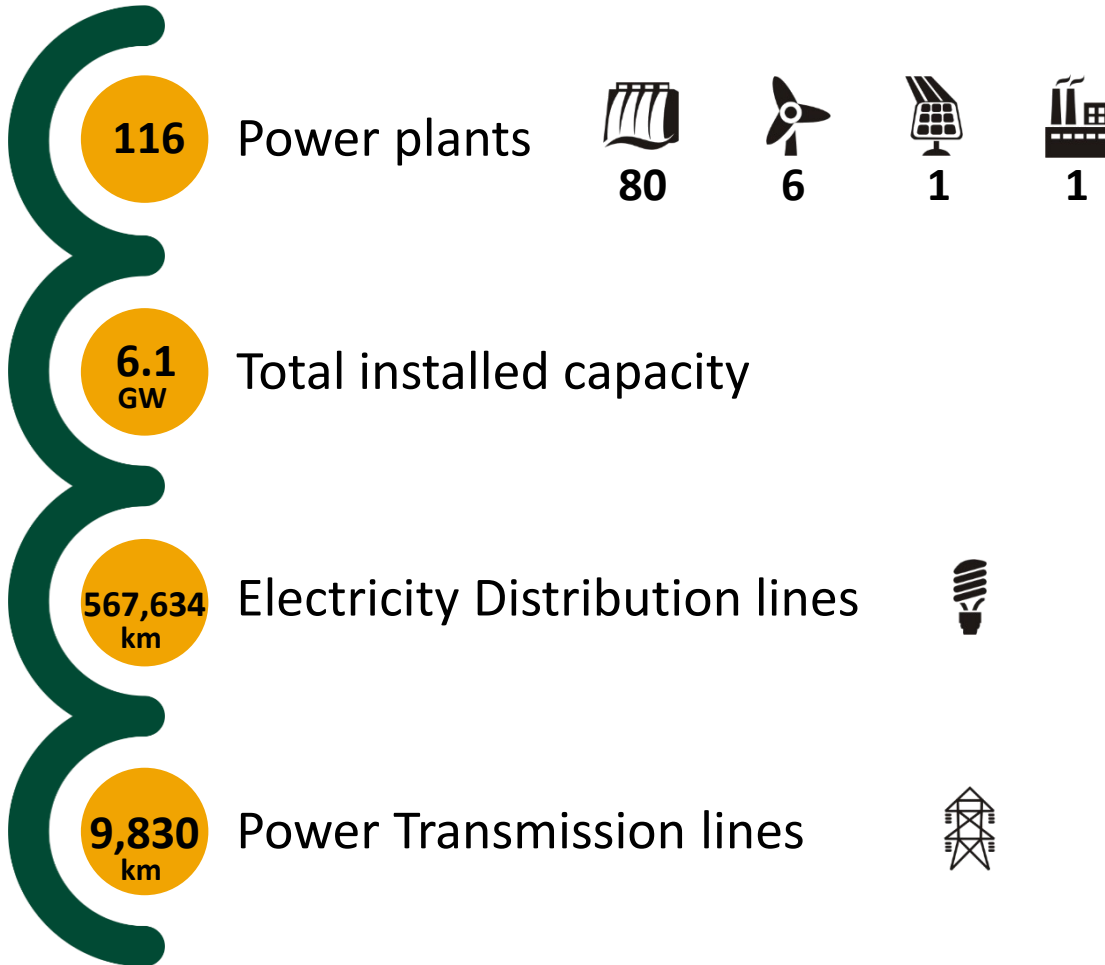


**EBITDA 2018  
US\$977mn<sup>(3)</sup>**

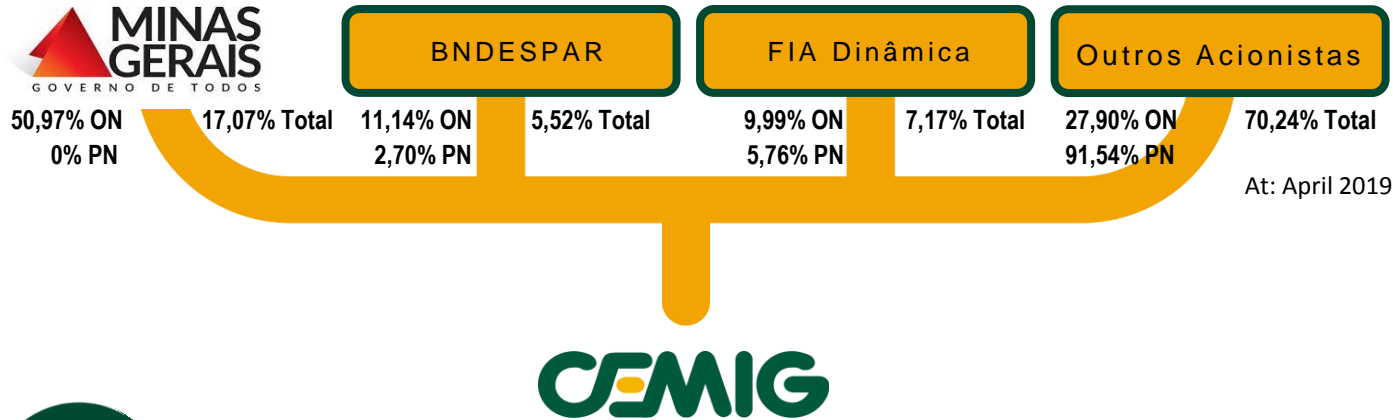
In the Power Industry since **1952**

LEADER

(1) As of May 17<sup>th</sup>, 2019  
 (2) In the Brazilian Energy Industry  
 (3) FX R\$/US\$3.8748 –on December 29<sup>th</sup>, 2018



POWER UTILITY



**1** Based in State of Minas Gerais



**2** Among the most liquid stocks in Brazil's electricity sector

- listed on New York, São Paulo and Madrid
- More than 140,000 shareholders in 38 countries
- Average daily trading volume in 2018

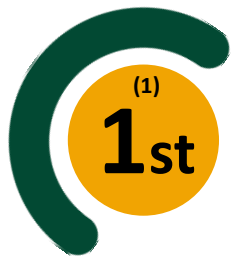
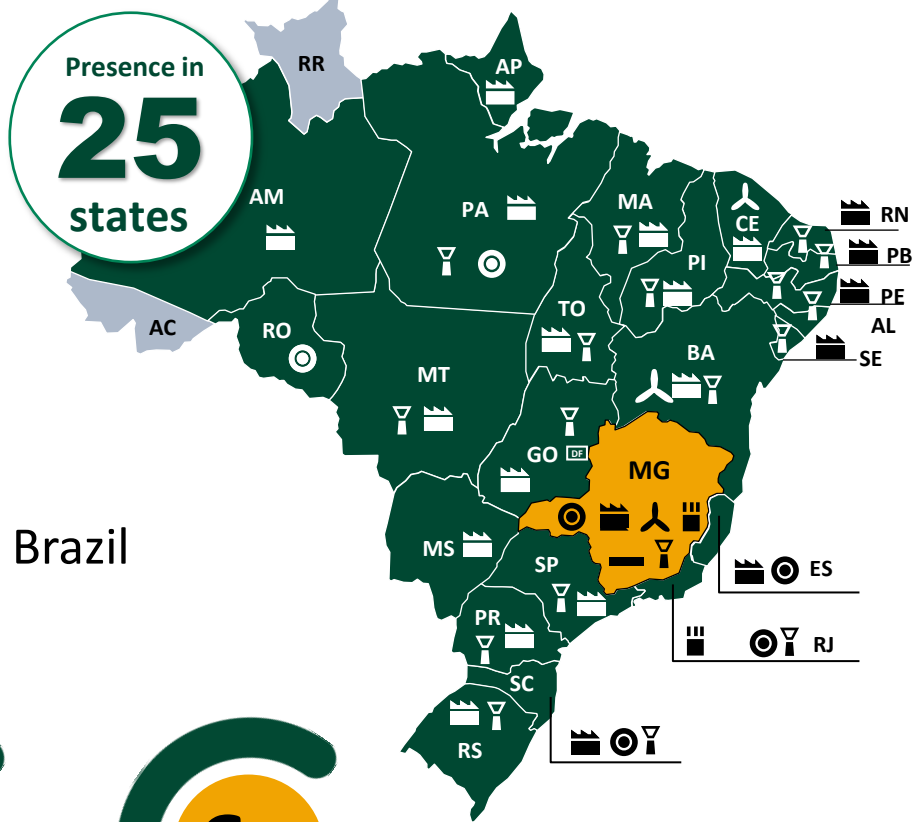


**3** Solid dividend policy

**R\$120.1M in Bovespa and US\$10.4M in NYSE**

# #1

## Integrated Power Utility in Brazil



Electricity Distributor



Largest Power Transmission Group



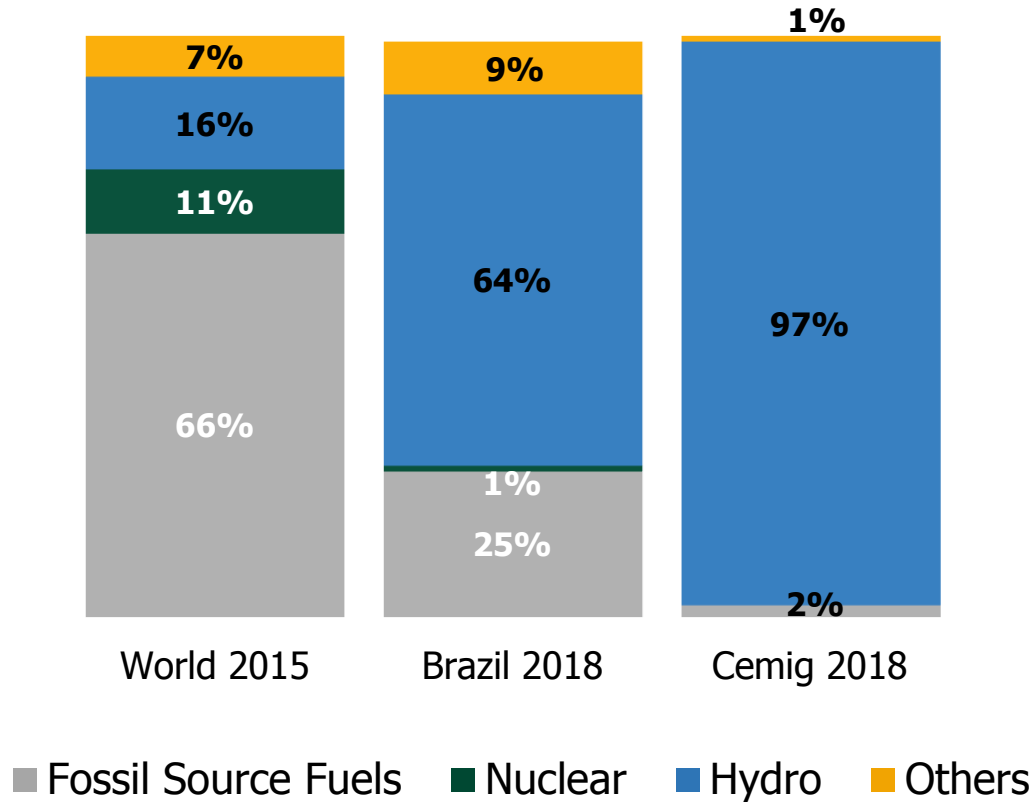
Largest Power Generation Group

- Power Generation
- Power Transmission
- Electricity Distribution
- Cemig "Free Consumer" Clients
- Wind Power Generation
- Natural Gas Distribution

INTEGRATED

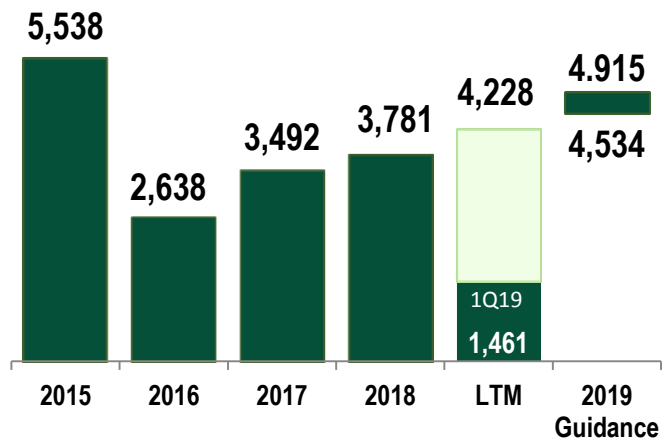
(1) In terms of length of electricity distribution lines – March, 2019

## Power Generation by Source

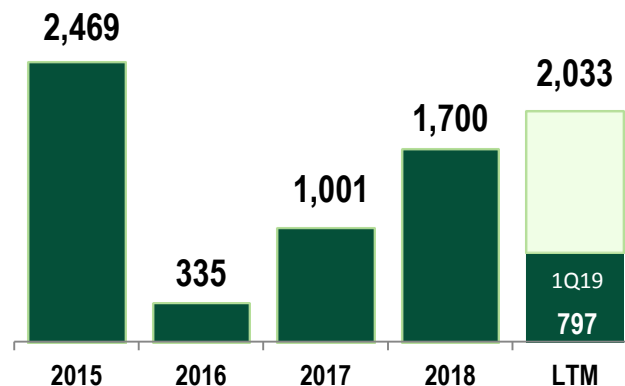


RENEWABLE LEADER

## Ebitda



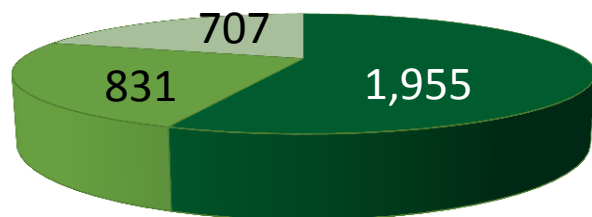
## Net Income



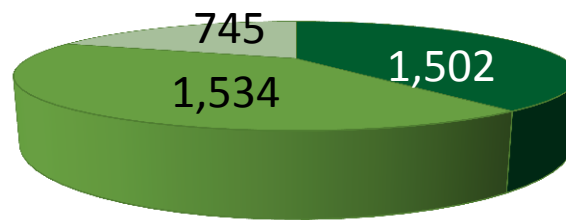
## Breakdown of Ebitda

Diversified, Low Risk Business Portfolio

2017



2018



■ Cemig GT   ■ Cemig D   ■ Others

CASH GENERATION



## Bylaws

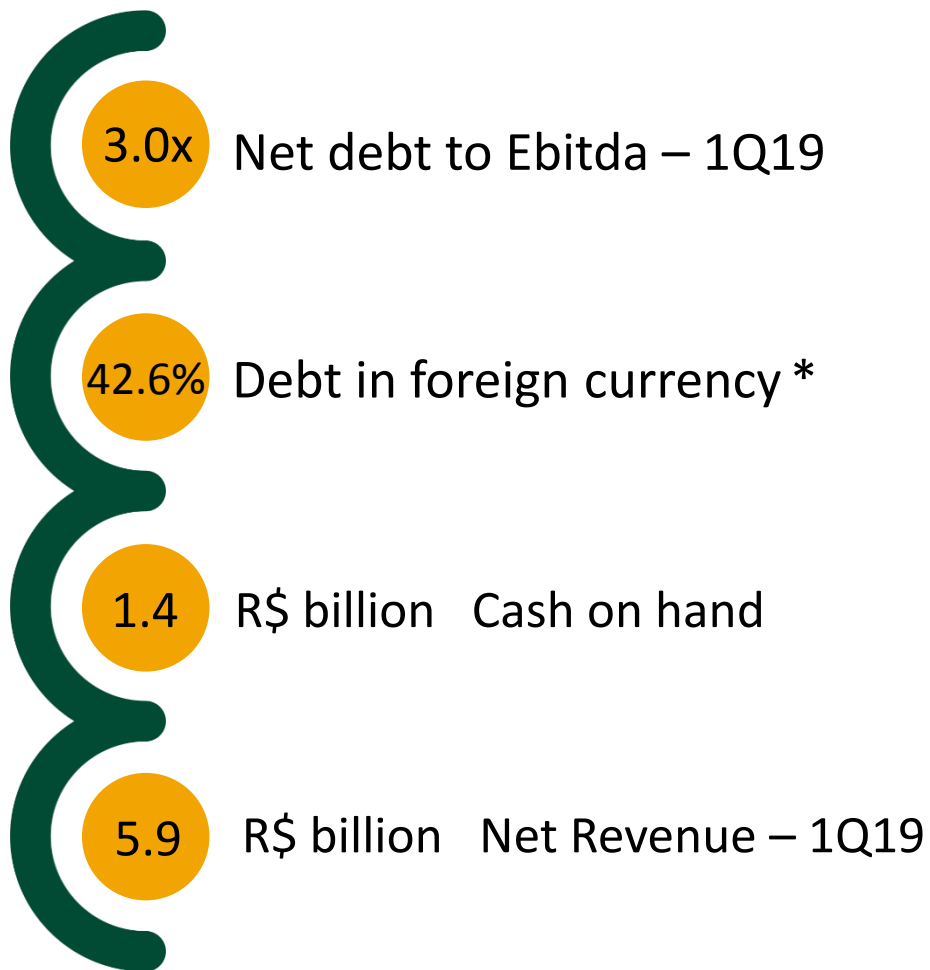
- Guaranteed - The minimum annual dividend

Shares	Number of Shares	Guarantee	Minimum Annual
Common	487,614,213	-	
Preferred	971,138,388	R\$ 0.50	R\$ 485.569.194
<b>Total</b>	<b>1,458,752,601</b>	<b>-</b>	<b>R\$ 485.569.194</b>

- Minimum payout – 50% of the net profit

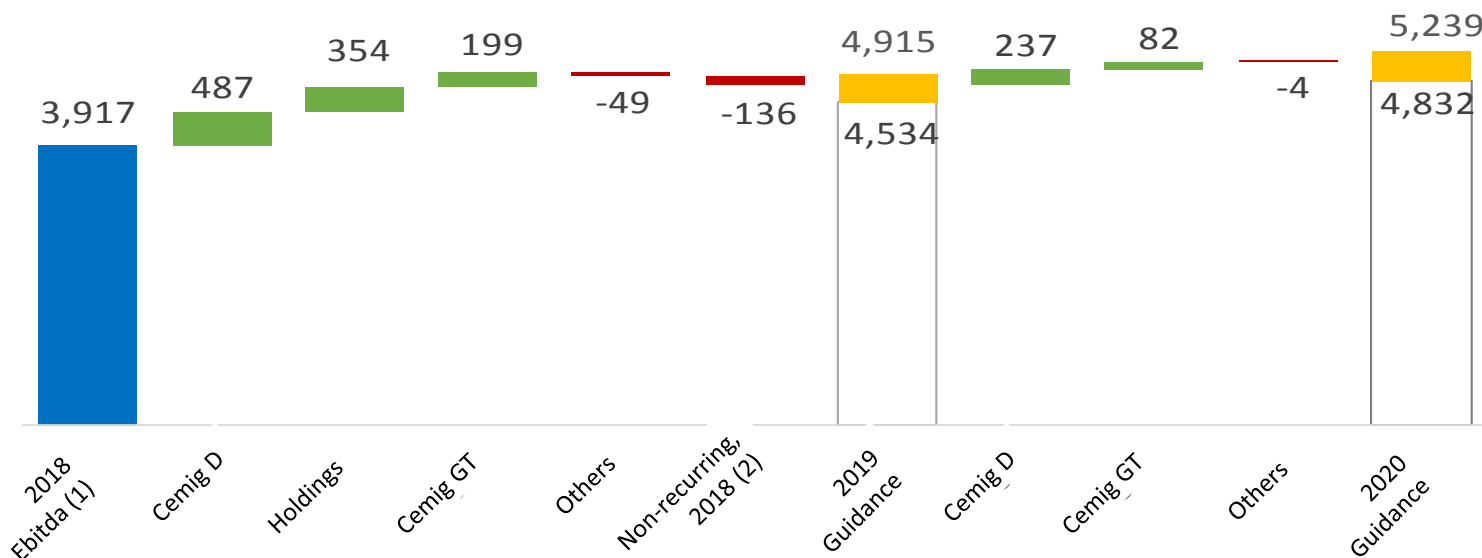
## Dividends' proposal to be paid in 2019:

- R\$867 million
  - R\$210 million - Interest on Equity (shareholders on December 21, 2018)
  - R\$657 million - Dividends (shareholders on May 03, 2019 - AGM)
- R\$0.59 per share (preferred and common shares)
- Dividend yield of 4.2%\*

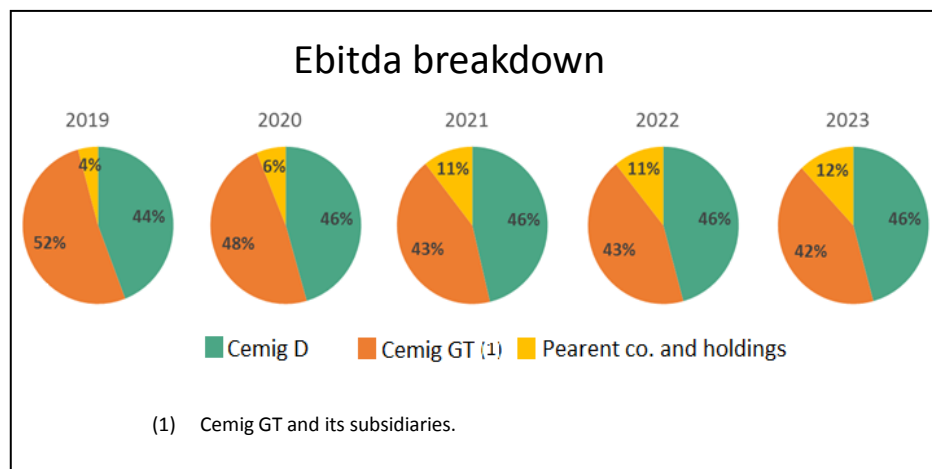
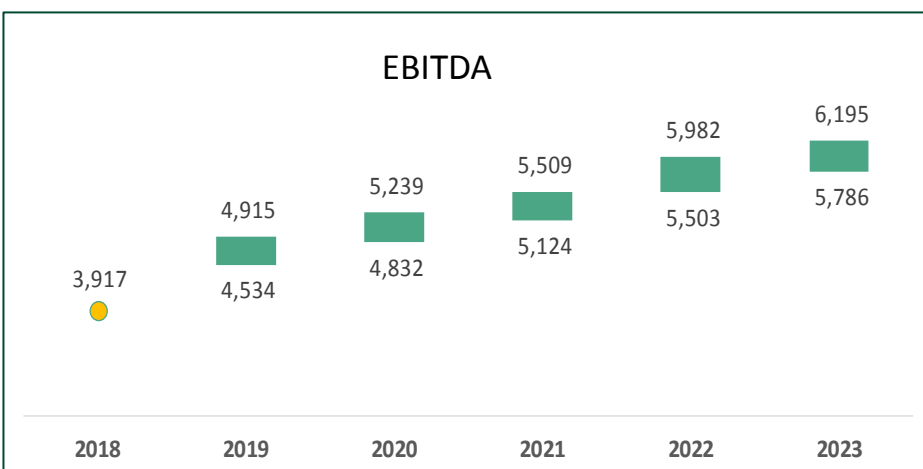


STABILITY

\* Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation



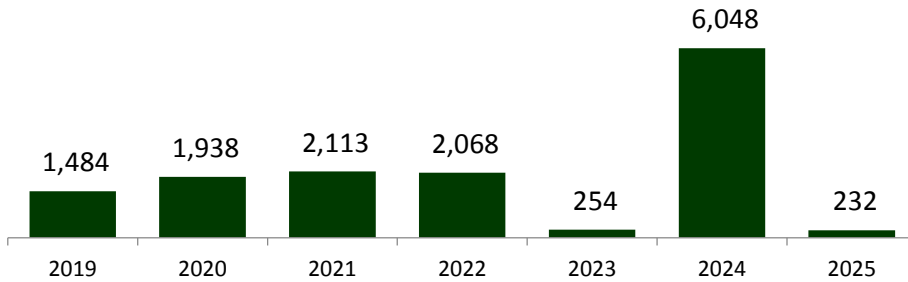
- (1) 2018 Ebitda (3,781) updated to June 2019 R\$.
- (2) Light, LightGer, Santo Antônio, Telecom, Wind farms (Parajuru and Volta do Rio), generation indemnity and Quotas revenue.
- (3) Calculation excludes cashflow from sale of Light.



R\$ million – 1Q19

Maturities timetable – Average tenor: 4.0 years

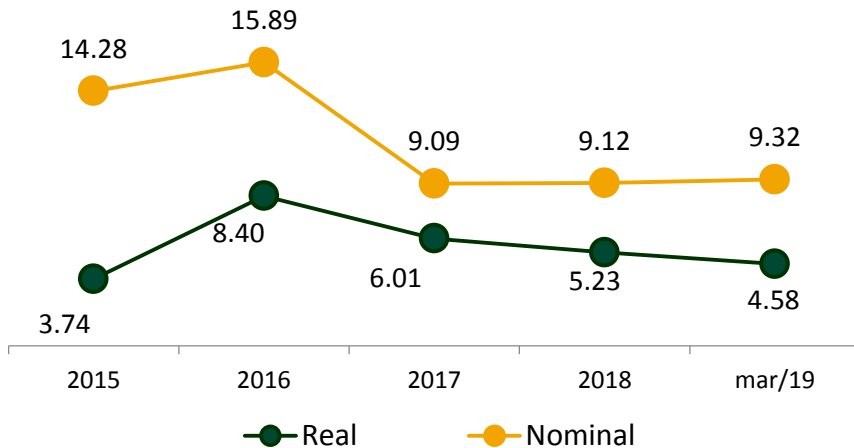
Net debt: R\$12.7 bn



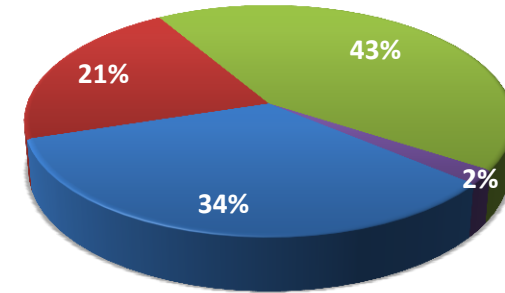
R\$ 769 million amortized in 1Q19 – highlights of payments:

- Cemig D – 3rd debenture issue: R\$ 515 million
- Cemig GT – 3rd debenture issue: R\$ 180 million

Cost of debt – %



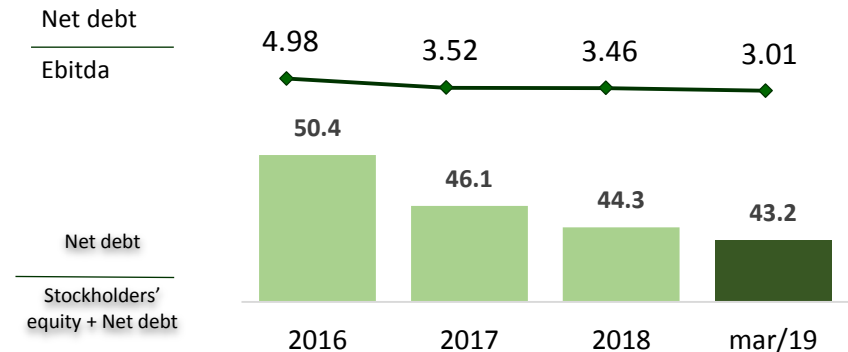
Main indexors



CDI    IPCA    Dollar    Others

- ☐ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Leverage – %

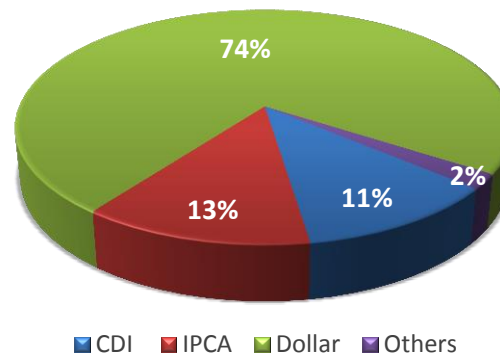
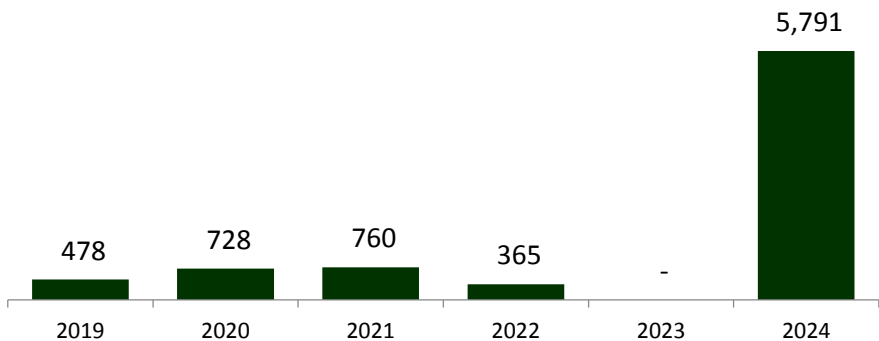


R\$ million – 1Q19

Maturities timetable – Average tenor: 4.8 years

Main indexors

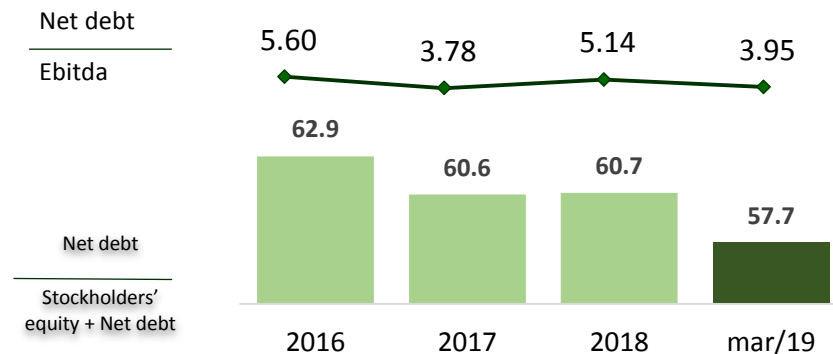
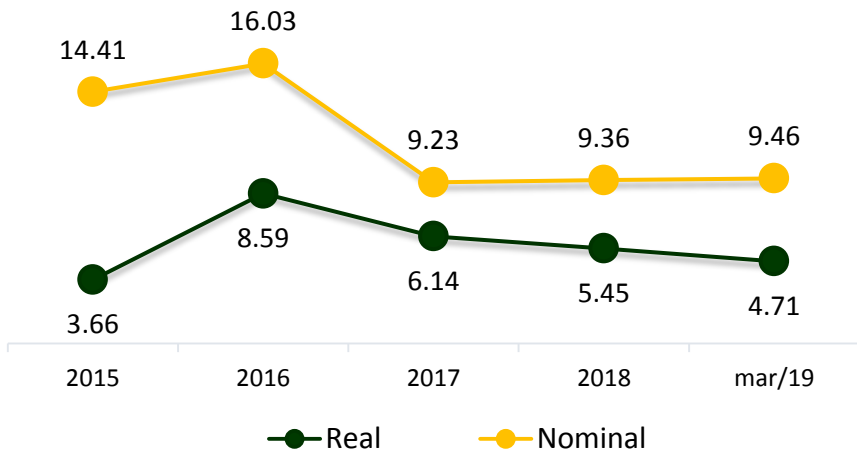
Net debt : R\$7.6 bn



□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

Cost of debt – %

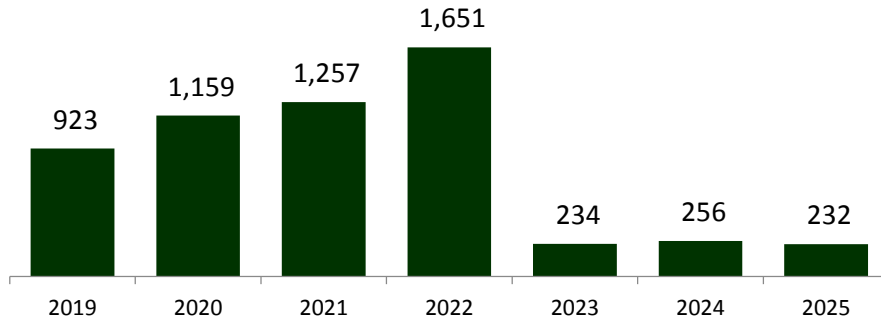
Leverage – %



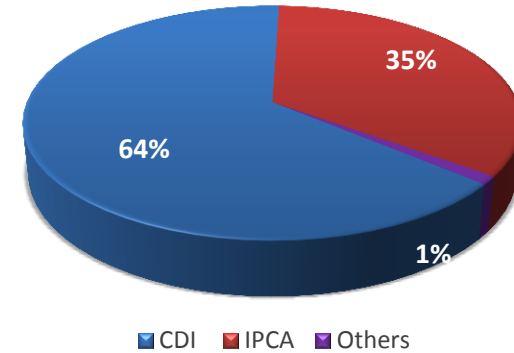
R\$ million – 1Q19

### Maturities timetable – Average tenor: 2.9 years

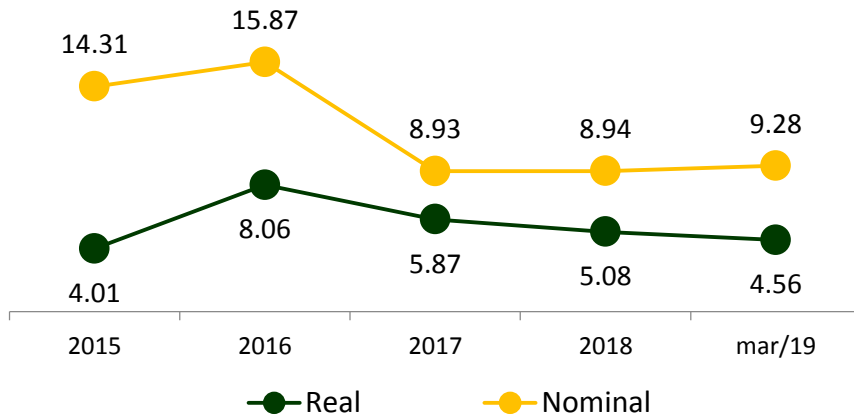
Net debt : R\$5.1 bn



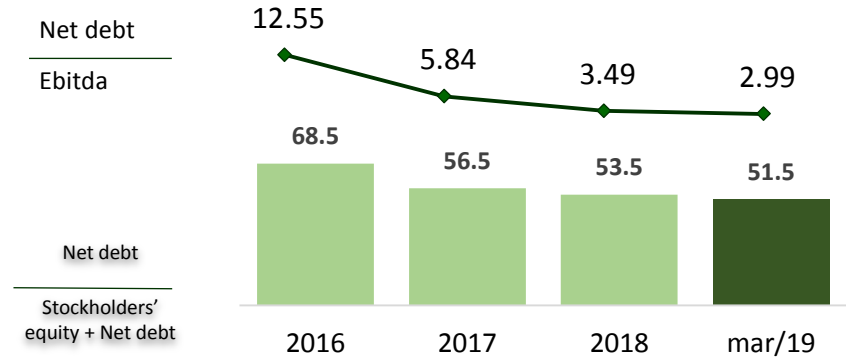
### Main indexors



### Cost of debt – %



### Leverage – %



Strategy was designed to deleverage Cemig

Company	Stake %	Amount R\$ MM	Status
<b>Realized</b>			
	9,86%	717	Block trade completed
	25%	80	Transfer, to Taesa, completed (Nov. 2017)
	100%	649 <sup>(1)</sup>	Auction for sale of assets concluded- August 08, 2018
<b>TOTAL</b>		<b>1.446</b>	
<b>In progress</b>			
	-	- <sup>(2)</sup>	Debt reprofiling and Sale of assets
	49,99%	2,095 <sup>(3)</sup>	New timetable and structure for disposal
	15%	727 <sup>(4)</sup>	Negotiations with potential purchaser resumed
	until 83% (100% PN e 49% ON)	1.194 <sup>(4)</sup>	Structuring of sale model in legal analysis
<b>Consórcios de Exploração de Gás</b>	24,50%	21 <sup>(4)</sup>	Studies for a new auction
	12%	1.673 <sup>(4)</sup>	Available for sale
<b>Cachoeirão, Pipoca, Paracambi</b>	49%	125 <sup>(4)</sup>	Available for sale
<b>TOTAL</b>		<b>5.835</b>	

Notes:

- (1) Total value of bids won on August 08<sup>th</sup>, 18 auction
- (2) Under evaluation
- (3) Market value (BM&F Bovespa) on March 05<sup>th</sup>, 2019
- (4) Book value
- (5) Valuation by the Company

ASSET SALE

Expressive evolution of Cemig's ratings in 2018, shows the commitment to lengthening the debt profile, with efficient operational management and focus on maximum results.

This table shows how Cemig's ratings have been changed, 2017/2018:

<b>Fitch</b>		<b>Investment Grade</b>											<b>Speculative Grade</b>										
National	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D		

<b>Moodys</b>		<b>Investment Grade</b>											<b>Speculative Grade</b>										
National	Global	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C	

<b>S&amp;P</b>		<b>Investment Grade</b>											<b>Speculative Grade</b>										
National	Global	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D



Aneel approved readjustment in the Technical Note 45/2018

- May 28<sup>th</sup> anniversary regulatory date

Main points of the Review for the 4<sup>th</sup> Tariff Cycle:

- Investment around R\$ 5 billion
- Investment on 'Special obligations' around R\$ 1.2 billion
- Opex: Cemig D scores above average in efficiency metrics

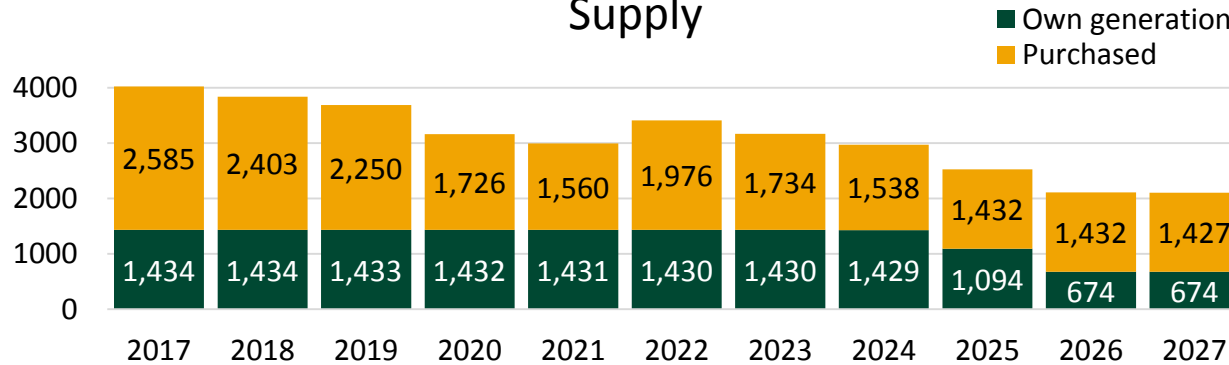
Regulatory asset base (RAB)	2013	2018
Remuneration Base – gross R\$	15,724	20,490
Remuneration Base – net R\$	5,849	8,906
Average depreciation rate	3.84 %	3.84%
WACC	7.51%	8.09%
Remuneration of the special obligations	-	149
CAIMI R\$	147	333
QRR R\$ - Depreciation (Gross RAB x Dep rate)	590	787
Remuneration of capital R\$ (Net RAB x WACC)	587	1,236

Currency – April/2018

Position in August, 2018

## Supply

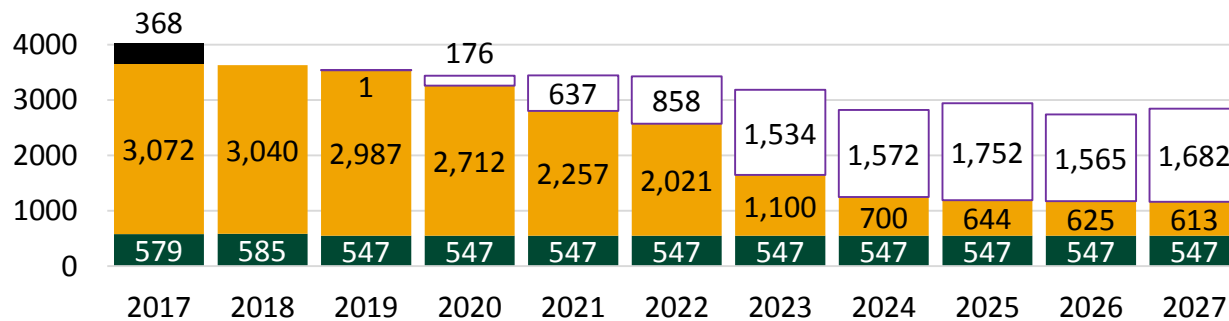
Average MW



Total Supply	4,019	3,837	3,683	3,158	2,991	3,406	3,164	2,967	2,526	2,106	2,101
Current Balance	0	212	149	-101	187	838	1,517	1,720	1,335	934	941
Total Demand	4,019	3,625	3,534	3,259	2,804	2,568	1,647	1,247	1,191	1,172	1,160

## Demand

Average MW



■ Sales: Regulated Market ■ Sales: Free Market □ Probable renewals ■ Spot Market

POWER BALANCE



MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
In Collaboration with RobecoSAM



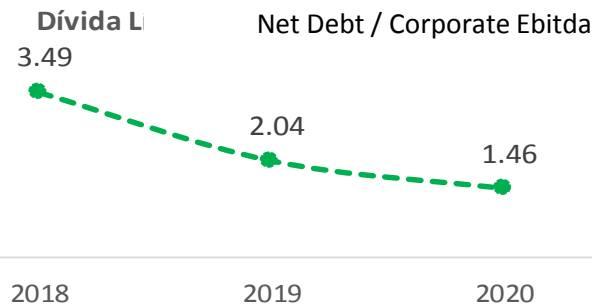
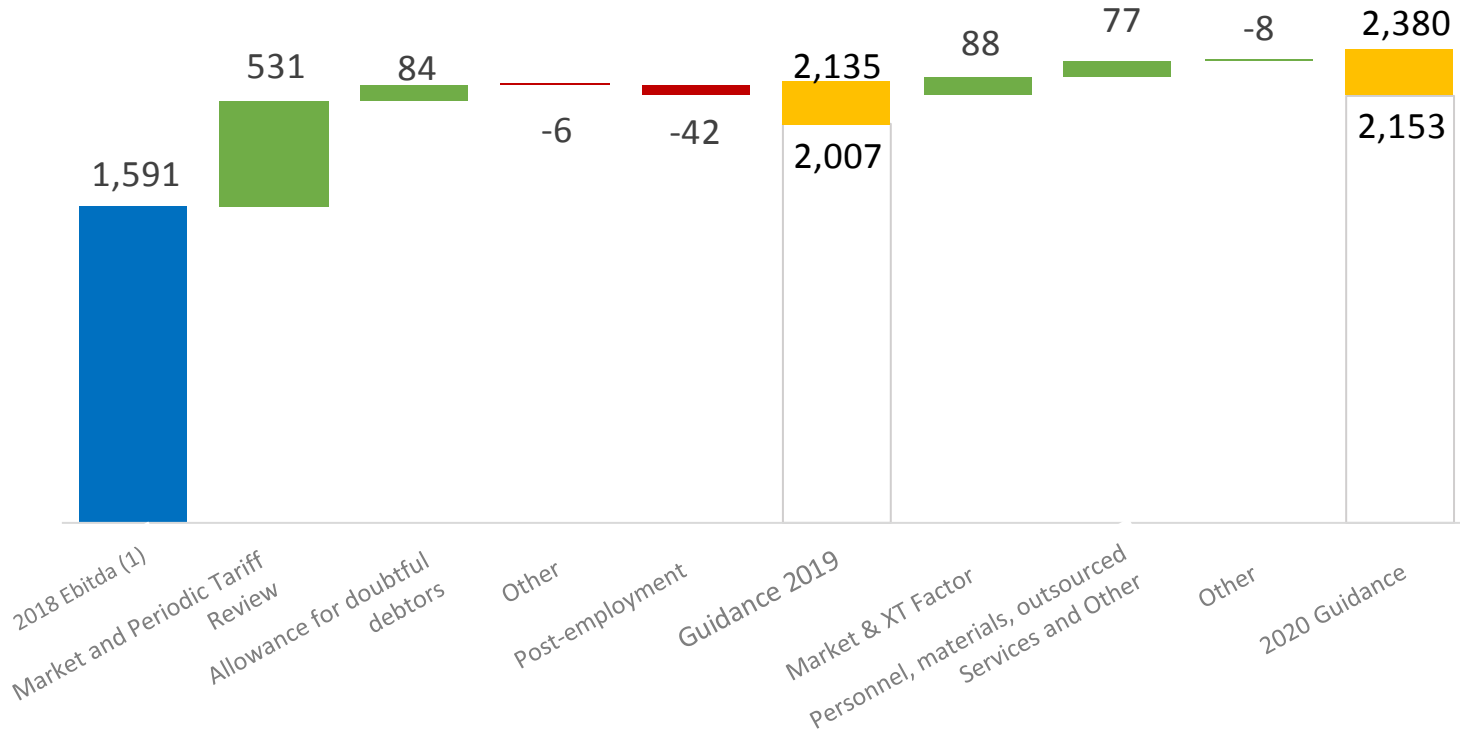
# CEMIG

## Investor Relations

Tel: +55 (31) 3506-5024

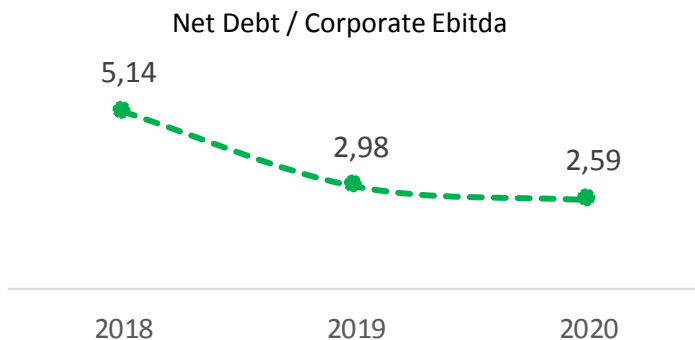
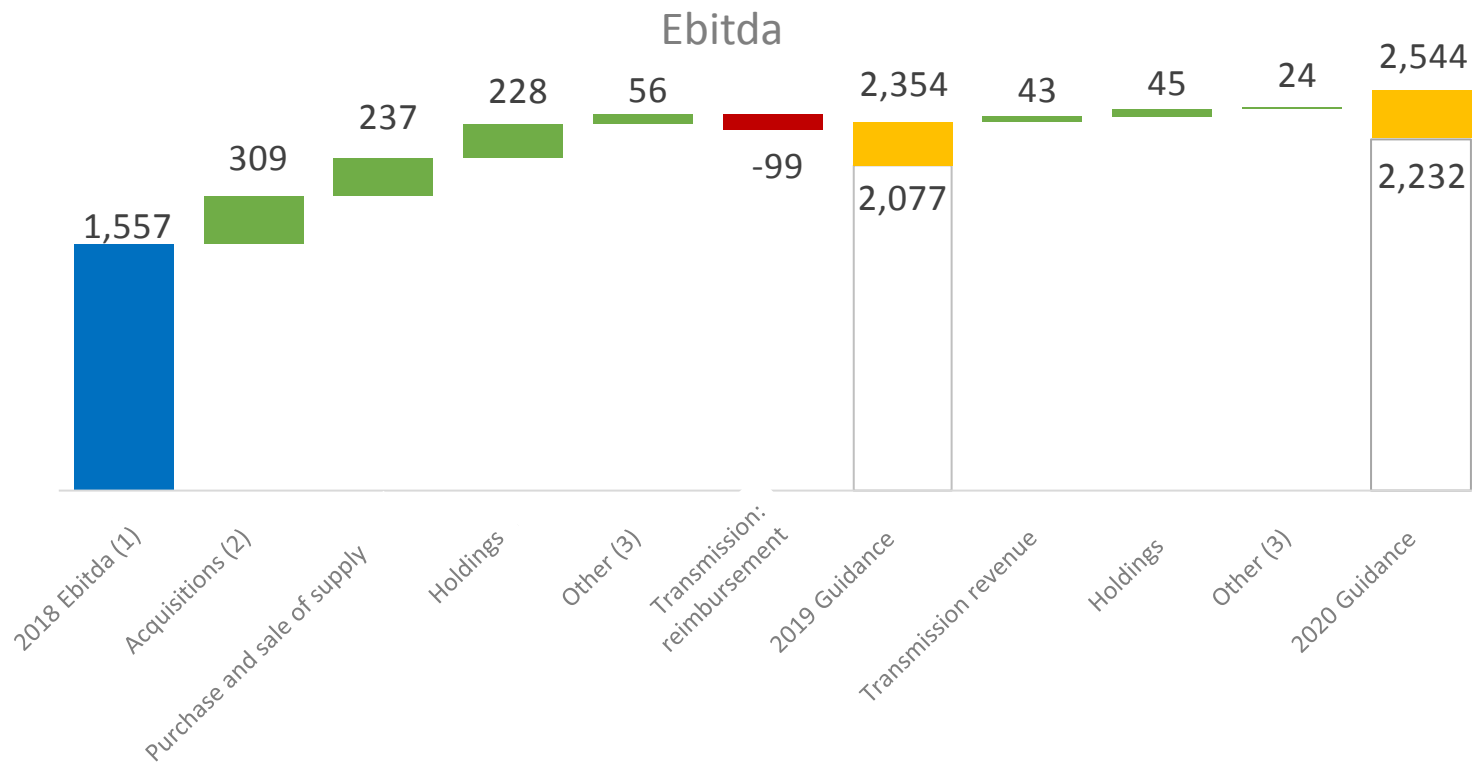
[ri@cemig.com.br](mailto:ri@cemig.com.br)

<http://ri.cemig.com.br>



Guidance

(1) 2018 Realized Ebitda (1,534) adjusted to June 2019 R\$.



(1) 2018 adjusted Ebitda (1,517) adjusted to June 2019 R\$.  
 (2) Parajuru, Volta do Rio and wholly-owned subsidiaries of the Cemig parent company.  
 (3) Includes PMSO, PDV, other revenues and expenses and non-recurring items.

## Cemig Consolidated (Guarantor)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig
31/Dec/2017 and 30/Jun/2018	5.00x
31/Dec/2018 and 30/Jun/2019	4.25x
31/Dec/2019 and 30/Jun/2020	3.50x
31/Dec/2020 and s/a thereafter	3.00x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig
31/Dec/2017	2.00x
30/Jun/2018 and semi-annually thereafter	1.75x

Dividend Payments
Minimum Legally Required Only

## Cemig GT (Issuer & Restricted Subsidiaries)

- Maintenance Covenants

Leverage Maintenance	
Covenant Net Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and 30/Jun/2018	5.50x
31/Dec/2018 and 30/Jun/2019	5.00x
31/Dec/2019 and 30/Jun/2020	4.50x
31/Dec/2020 and 30/Jun/2021	3.00x
31/Dec/2021 and s/a thereafter	2.50x

Liens Maintenance	
Total Secured Debt / Covenant EBITDA	Cemig GT
31/Dec/2017 and semi-annually thereafter	1.50x

- Incurrence Covenants

Limitation on Incurrence of Indebtedness	
Covenant Net Debt / Covenant EBITDA	Cemig GT
On or Before 31/Dec/2018	5.50x
On or Before 31/Dec/2019	5.00x
On or Before 31/Dec/2020	4.50x
On or Before 31/Dec/2021	3.00x
Thereafter	2.50x
(+ ) General Basket of US\$100mm or 3% of CNTA	

Limitation on Incurrence of Liens	
Total Secured Debt / Covenant EBITDA	1.50x

Restricted Payments	
% of Net Income from Sept. 30, 2017	Cemig GT
If Cov. Net Debt / Cov. EBITDA > 2.5x	0%
If Cov. Net Debt / Cov. EBITDA ≤ 2.5x	50%
(+ ) Minimum Legally Required Dividends Carve-Out	
(+ ) US\$30mm or PF 2.5x Cov. Net Debt / Cov. EBITDA	

Asset Sales
Transaction with Affiliates
Limitation on Sale and Lease-Backs
Limitation on Dividend Restrictions on Restricted Subs
Consolidation, Merger, Conveyance, Sale or Lease
Change of Control Put @ 101%

### Additional Provisions

- Penalty Interest for Failure to Comply with any Maintenance Covenant: **+2.0% p.a.** for as long as any Maintenance Covenant is breached
- Penalty Interest for Failure to Implement Bank Debt Refinancing: **+2.0% p.a.** if Bank Debt Refinancing not implemented by Feb. 15, 2018

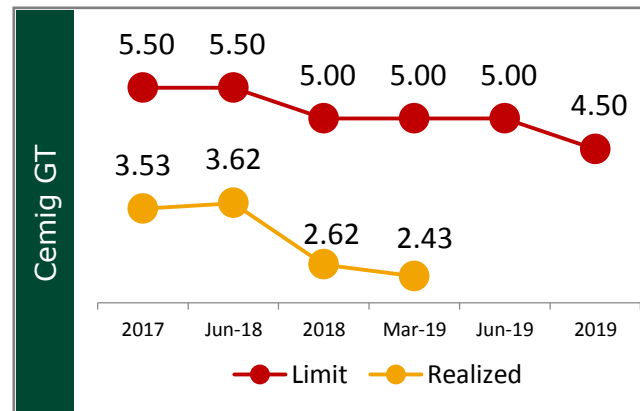
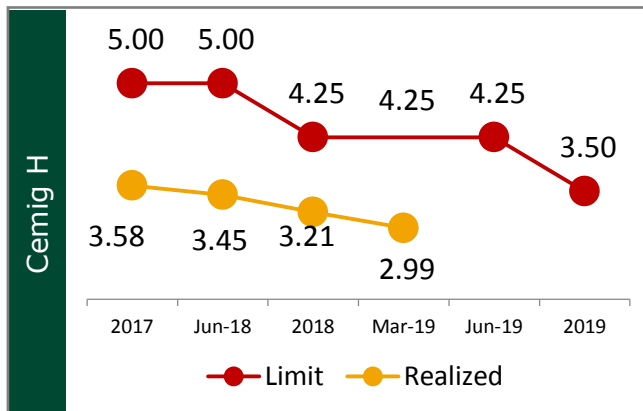
12 months	1Q19	
R\$ (in million)	GT	H
<b>Net income for the period/year (i)</b>	<b>1,014</b>	<b>2,245</b>
Net financial expenses	337	1,160
Income tax and Social Contribution tax	515	922
Depreciation and amortization	200	1,440
<b>EBTIDA</b>	<b>2,066</b>	<b>5,767</b>
minus minority interest result	284	153
minus provision for the variation in value of the put option obligations	114	128
minus non-operating result (which includes any gains on asset sales and any asset write-off or impairments)	107	140
minus non-cash credits and gains increasing net income, to the extent they are non-recurring	(80)	119
minus non-cash revenues related to transmission and generation indemnification	(271)	(271)
plus cash dividends received from minority investments (as measured in the statement of cash flows)	75	278
minus monetary updating of concession grant fees	(320)	(320)
plus cash inflows related to power generation concession grant fee	252	252
cash inflows related to transmission revenue for cost of capital coverage; plus	249	249
cash inflows from generation indemnification, provided that such amount shall not exceed 30.0% of the sum of clauses (i) through (xvii) of this definition.	932	1,139
<b>Covenant EBITDA</b>	<b>3,409</b>	<b>7,634</b>

12 months	1Q19	
R\$ (in million)	GT	H
<b>Consolidated Indebtedness</b>	8,124	23.828
<i>plus</i> debt contracts with Forluz	228	1,009
<i>plus</i> carrying liability of any put option obligation	447	447
<i>minus</i> escrow account amounts deposited to satisfy any put option obligation	-	-
<i>minus</i> consolidated cash and cash equivalents; plus consolidated marketable securities recorded as current assets	(515)	(2,490)
<b>Covenant Net Debt</b>	<b>8,284</b>	<b>22,795 (1)</b>
<b>Covenant EBITDA</b>	<b>3,409</b>	<b>7,634</b>
Covenant Net Debt / Covenant Ebitda	2.43	2.99
Total Secured Debt		7,190
Total Secured Debt / Covenant EBITDA		0.94

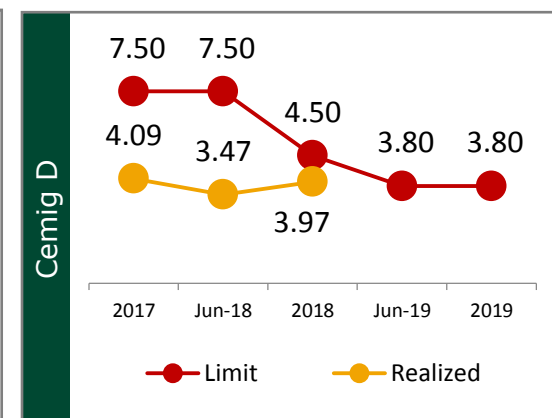
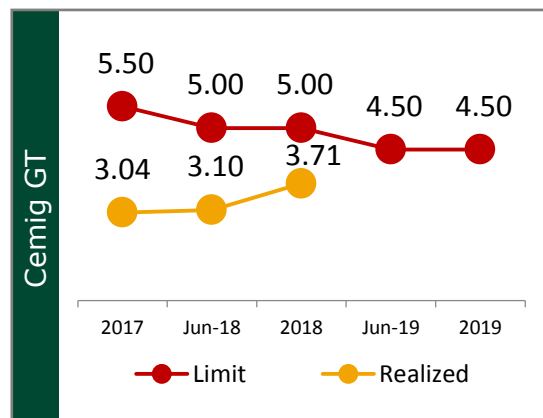
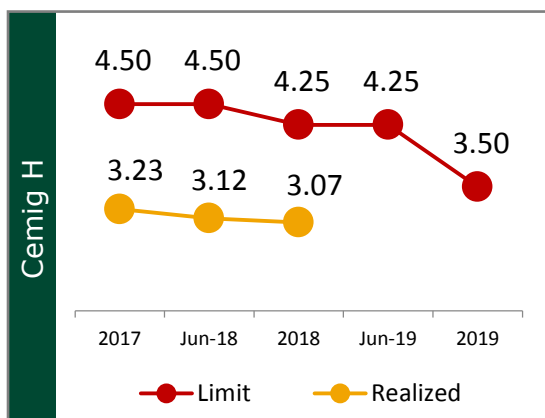


# Net debt/Ebitda

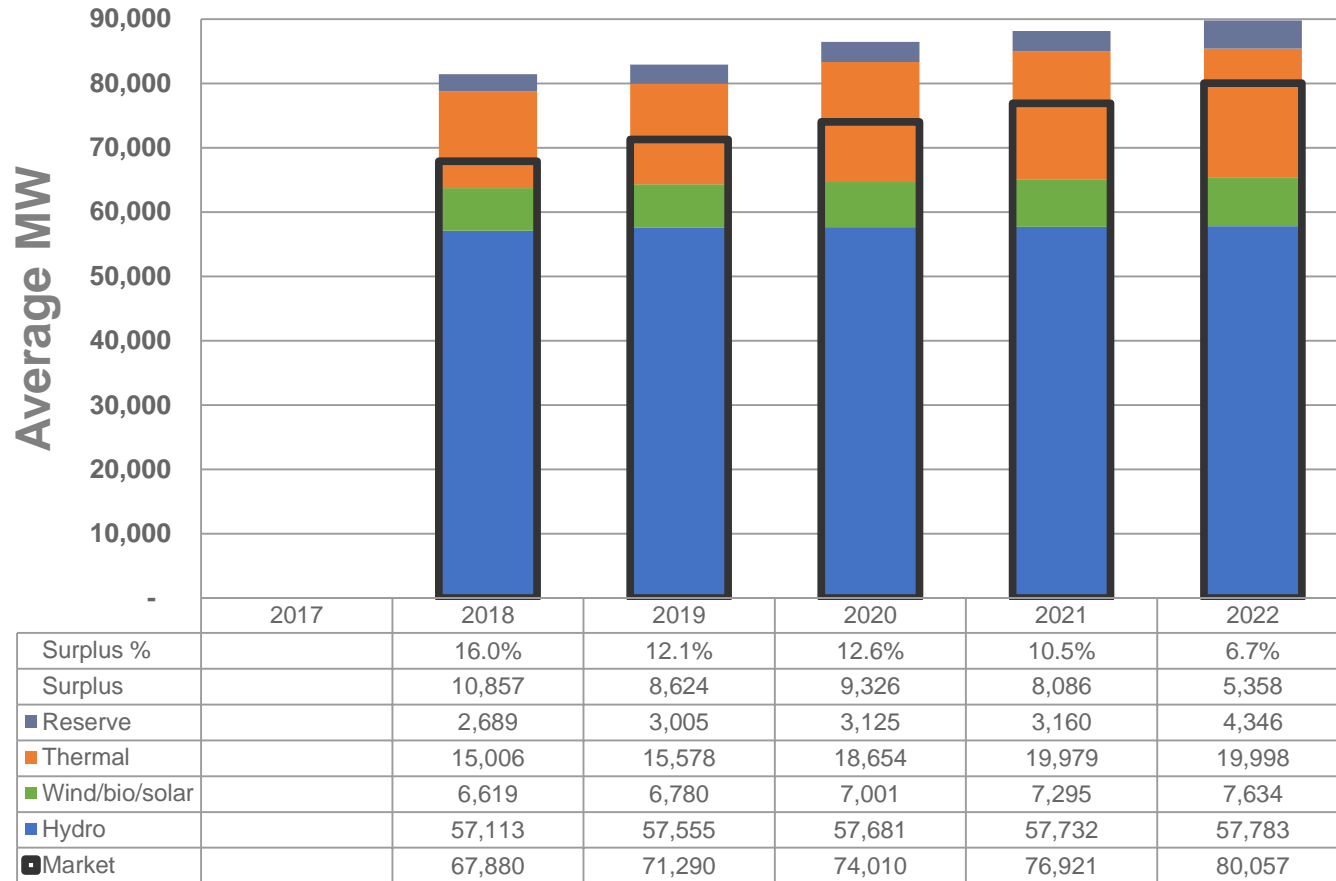
## Eurobonds' Covenant - (LTM – Last twelve months)



## Reprofiling's Covenant - (LTM – Last twelve months)

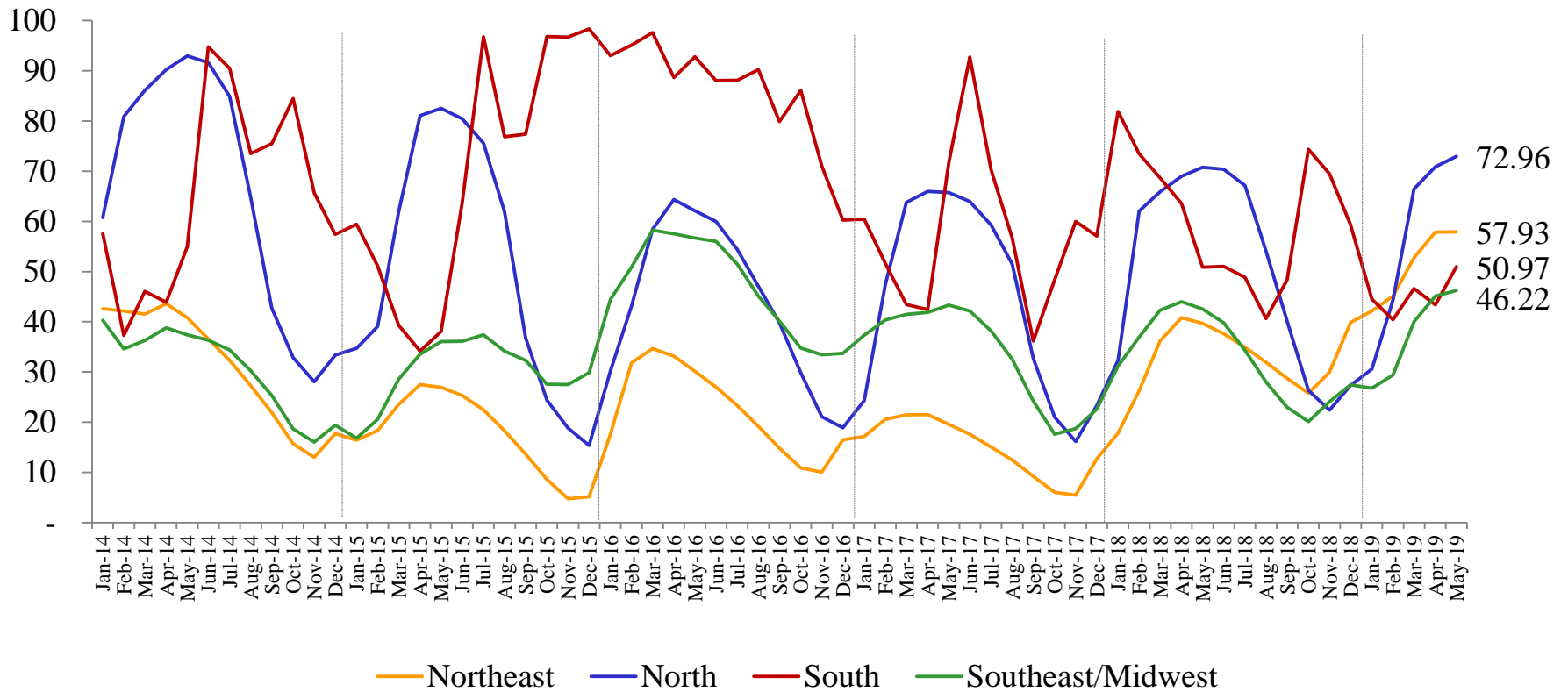


Made in May 2018



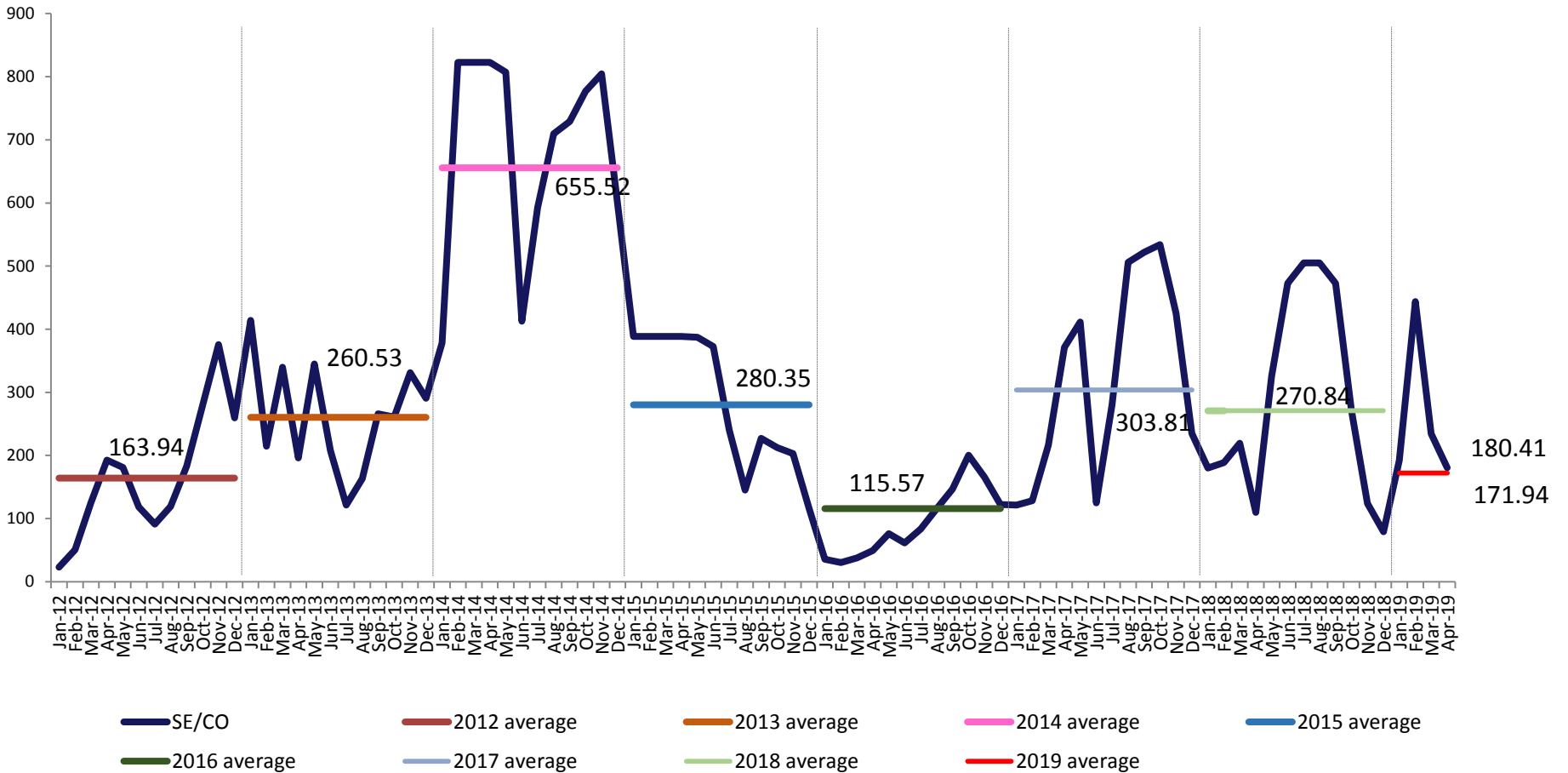
Source: **May 2018 monthly operational survey (PMO)** (includes contracting of Angra III as Reserve Energy from Jan, 2022),

by region (%)\*

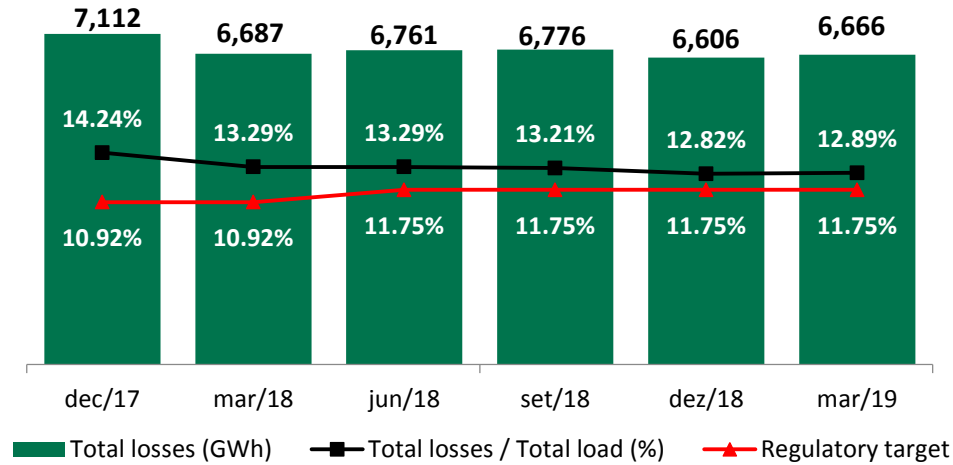


\*Source: ONS

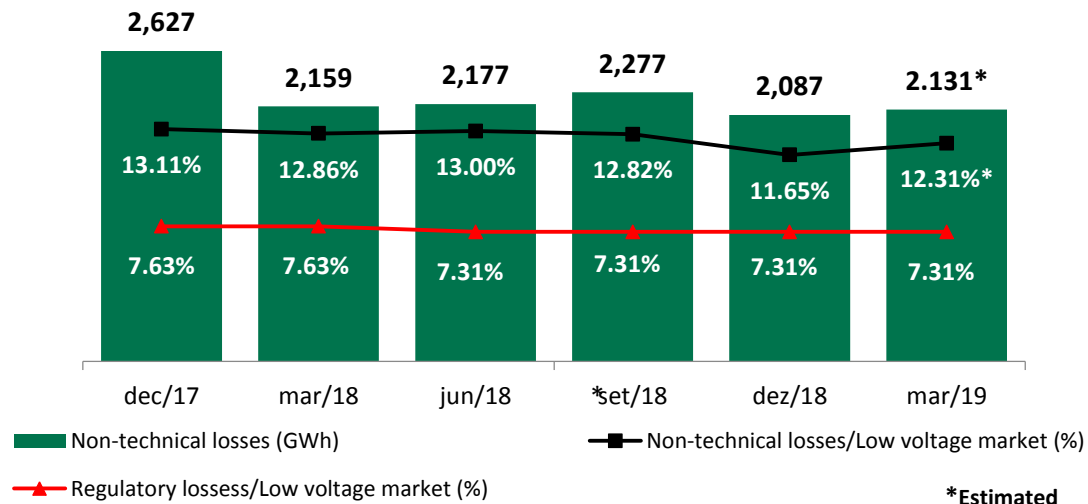
Brazil: eletricity spot price – monthly average (R\$/MWh)



## Total losses



## Non-technical losses/Total Low voltage market



Average daily trading volume in 2018

**BOVESPA:** R\$120.1 million

**NYSE:** US\$10.4 million

**North America**

Canada  
USA

**EUROPE**

Austria	Germany	Italy	Portugal
Belgium	Guernsey	Malta	Spain
Denmark	Greece	Jersey	Sweden
France	Holland	Liechtenstein	Switzerland
Finland	Ireland	Luxembourg	UK
		Norway	

**LATIBEX (2018)**  
XCMIG  
€ 1.1 million

**NYSE (2018)**  
CIG US\$ 2.33 billion  
CIG.C US\$ 2.5 million

**ASIA**

Brunei  
Japan  
India  
Malaysia  
Singapore  
South Korea  
Taiwan  
China

**Central America**

Bahamas  
Bermuda  
Cayman islands

**Middle East**

UAE  
Kuwait  
Oman  
Saudi Arabia

**South America**

Argentina  
Brazil  
Chile  
Uruguay

**BOVESPA (2018)**  
CMIG4 R\$ 26.6 billion  
CMIG3 R\$ 2.8 billion

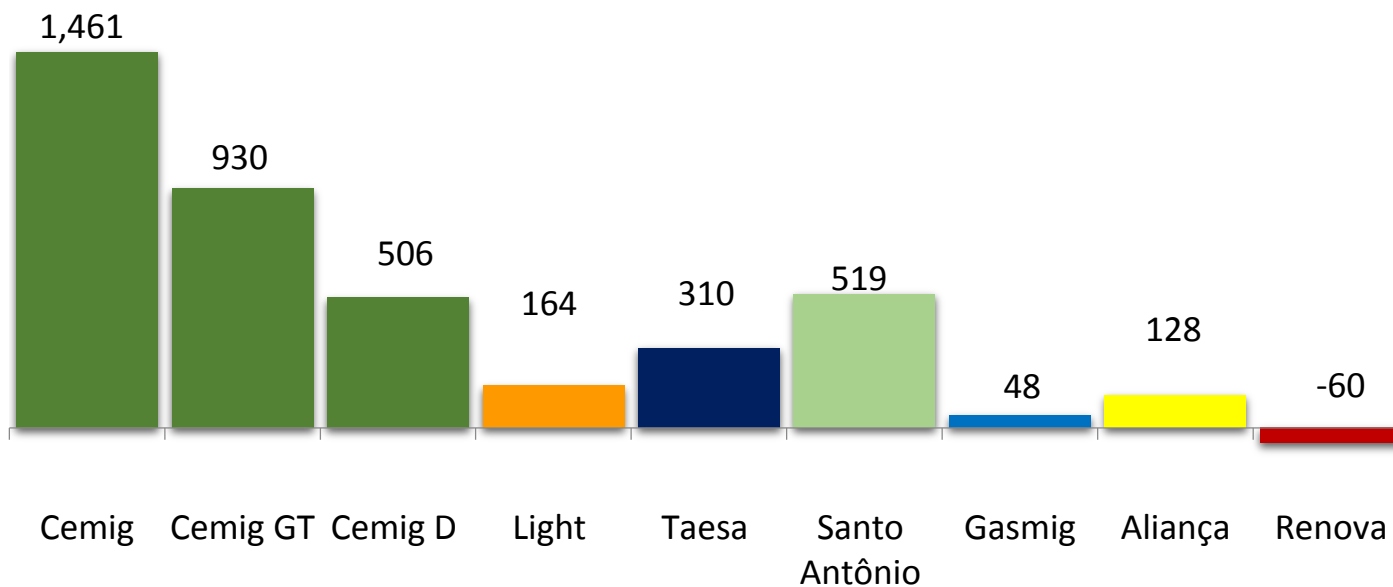
**Africa**

South Africa

**OCEANIA**

Australia  
New Zealand

- Shares traded on 3 stock exchanges
- Over 140,000 stockholders in 38 countries



Companies	1Q19	% Cemig	Proportional	Guidance 2019
Cemig	1,461			4,534 - 4,915
Cemig GT	930	100.00	930	2,077 - 2,354
Cemig D	506	100.00	506	2,007 - 2,135
Light	164	49.99	82	
Taesa	310	21.68	67	
Aliança	128	45.00	57	
Gasmig	48	99.57	48	
Santo Antônio	519	15.51	80	
Renova	-60	36.23	-22	

8.5 R\$ bn Net RAB - Regulatory Asset Base

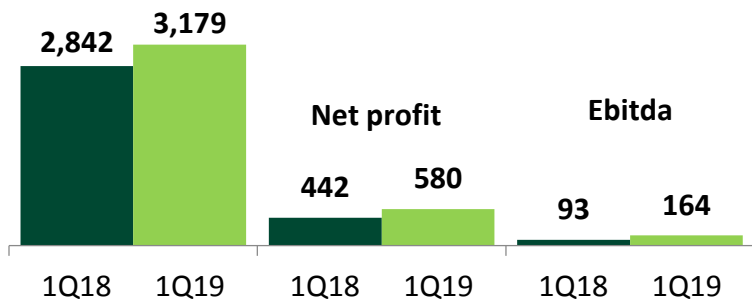
1,024 MW installed capacity

648 MWavg Assured Energy

2.8 R\$ bn of market capitalization  
Dec, 31<sup>st</sup>



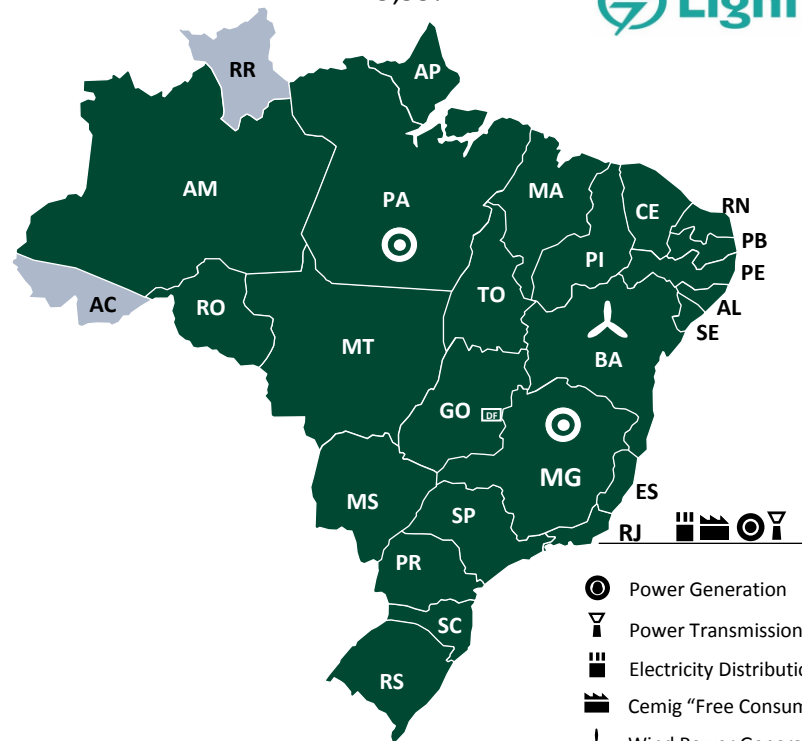
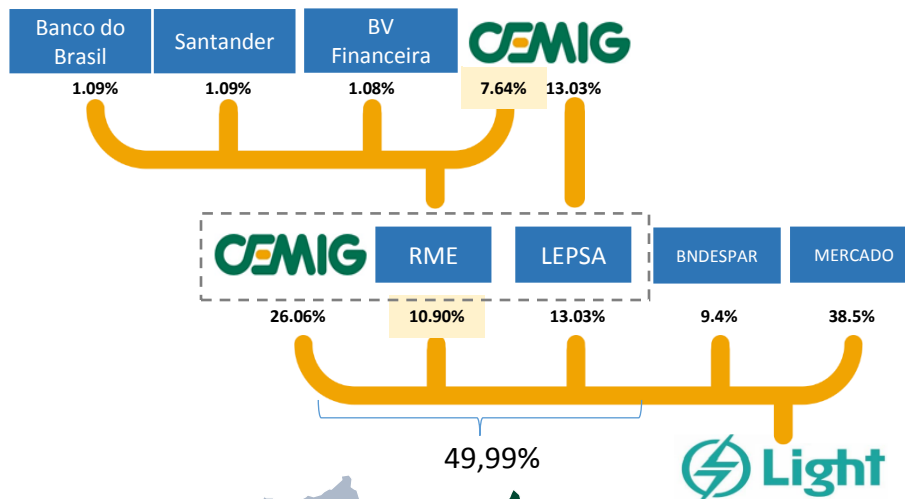
Net revenue



FitchRatings A+(bra)

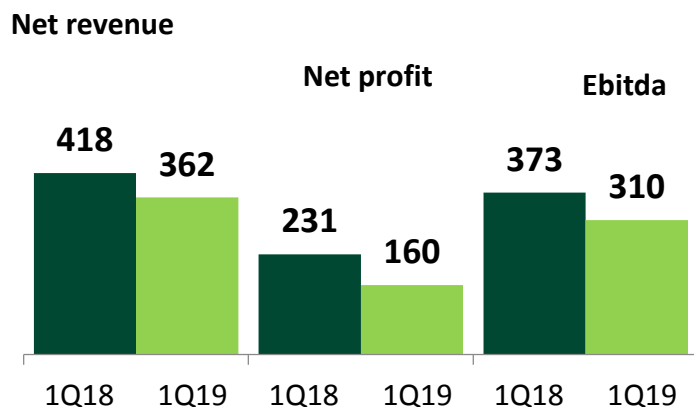
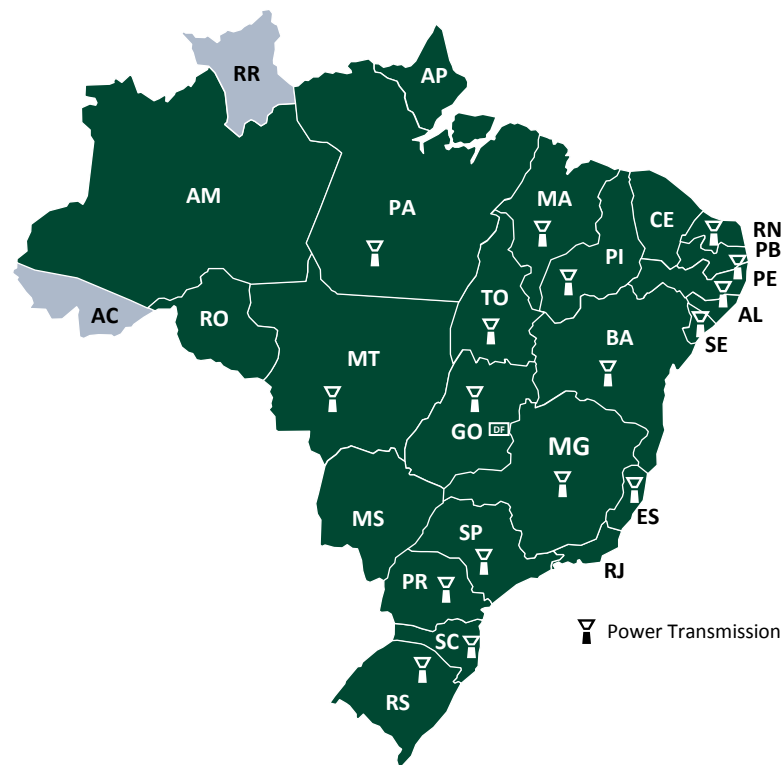
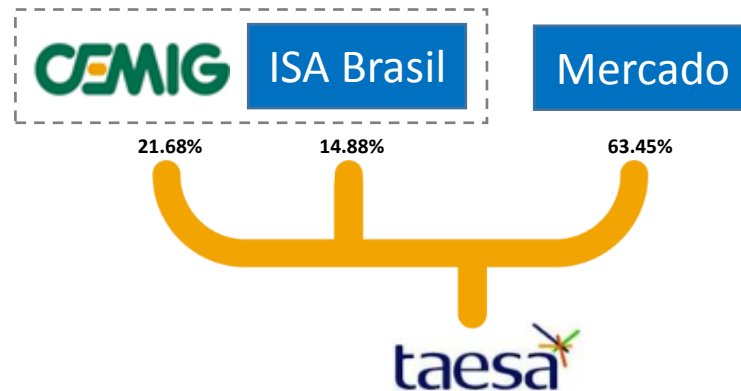


STANDARD & POOR'S Baa1.br B1

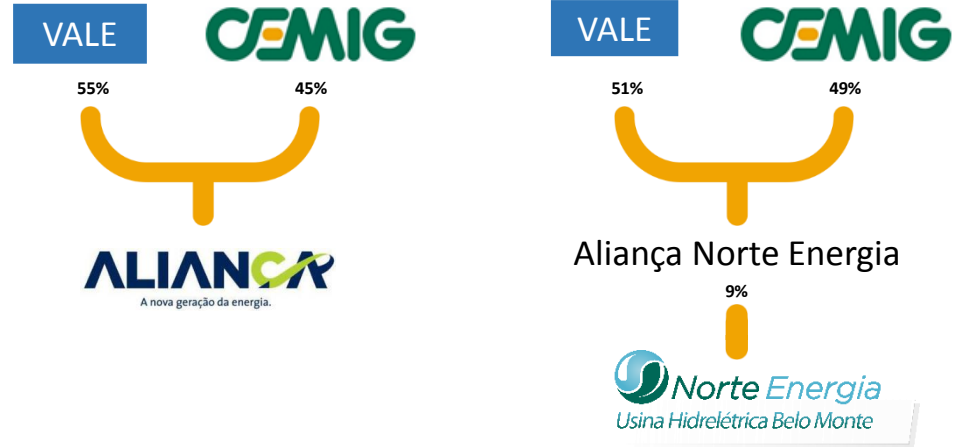




- 2.6 R\$ bn RAP - Annual Permitted Revenues (2018/2019)
- 12,135 Km in transmission line
- 8.4 R\$ bn of market capitalization  
Aug, 27<sup>th</sup>

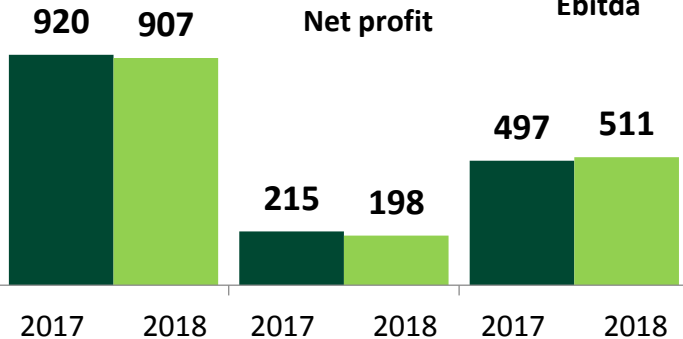


- 8 Enterprises in operation
- 1,257 MW installed capacity
- 695 MWavg Assured Energy

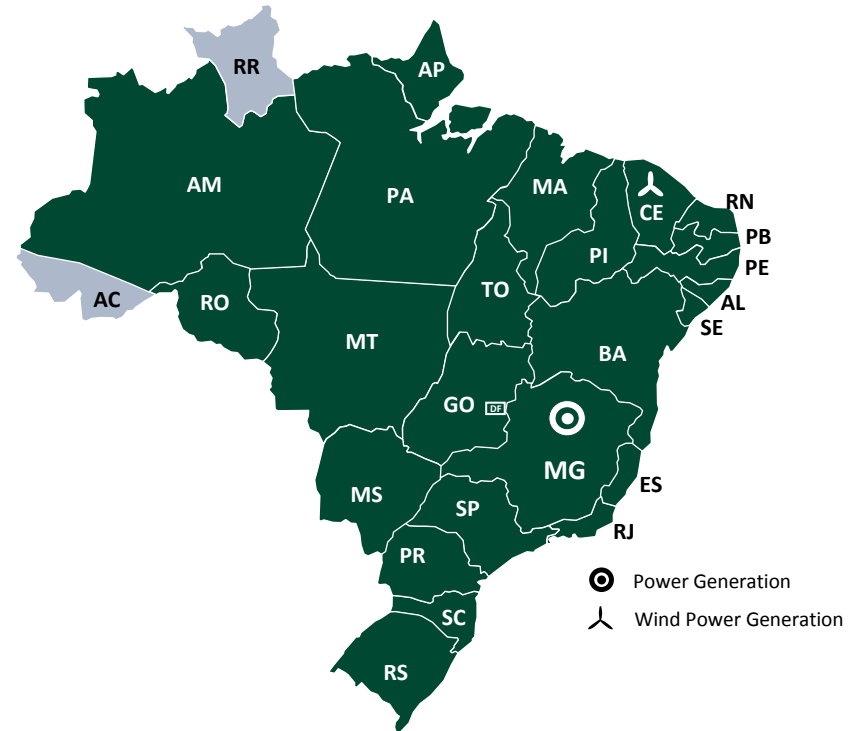


2018

Net revenue



FitchRatings AAA(bra)

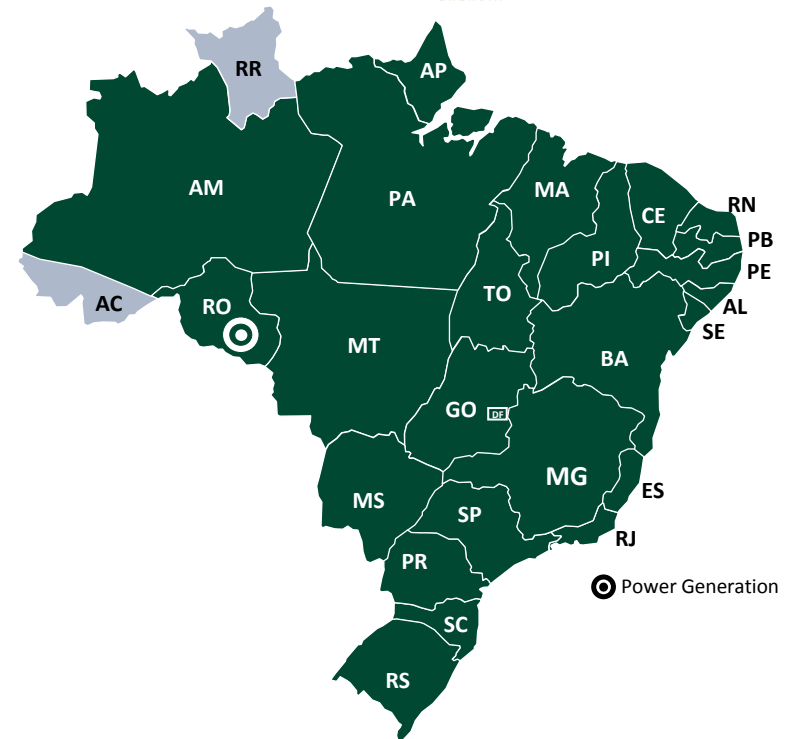
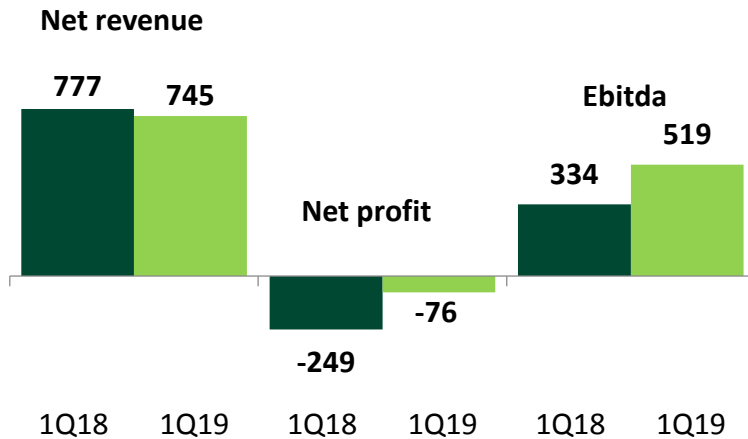
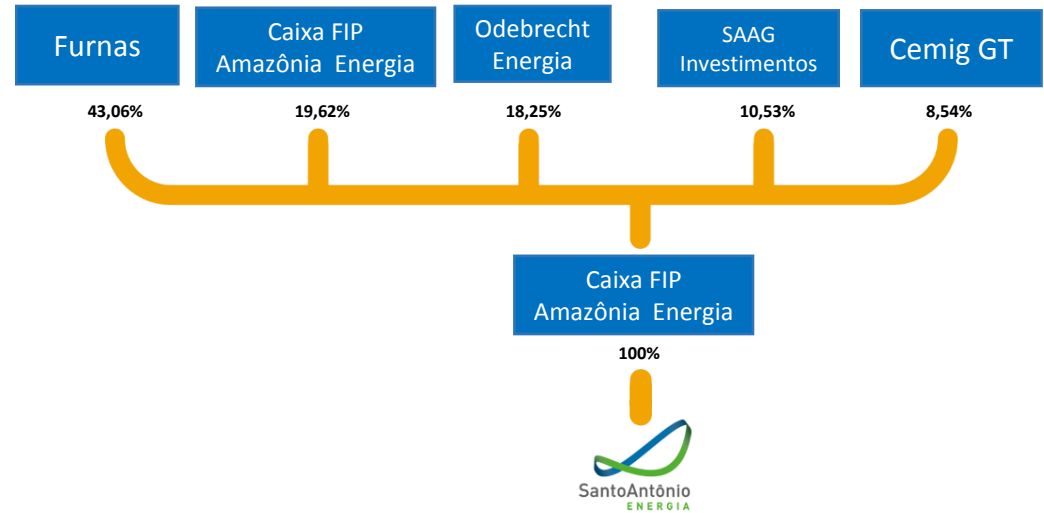


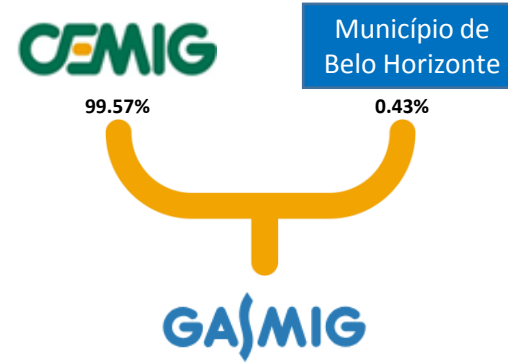
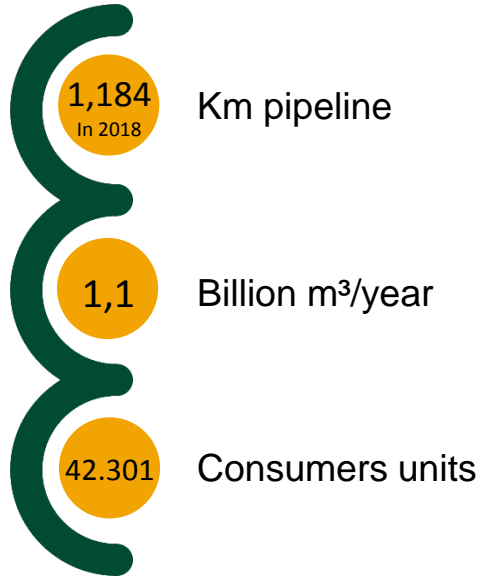
3,568 MW installed capacity

2,424 MW avg Assured Energy

50 Generator units – bulb turbine

20 R\$ billion – Capex





2018

