



# 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

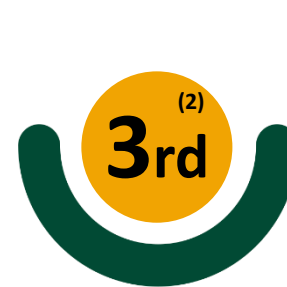
**Integrated Power  
Utility in Brazil**



**Market share in the  
free market**



**Market Cap  
US\$4.6B <sup>(1)</sup>**



**EBITDA 2018  
US\$810 mn<sup>(3)</sup>**

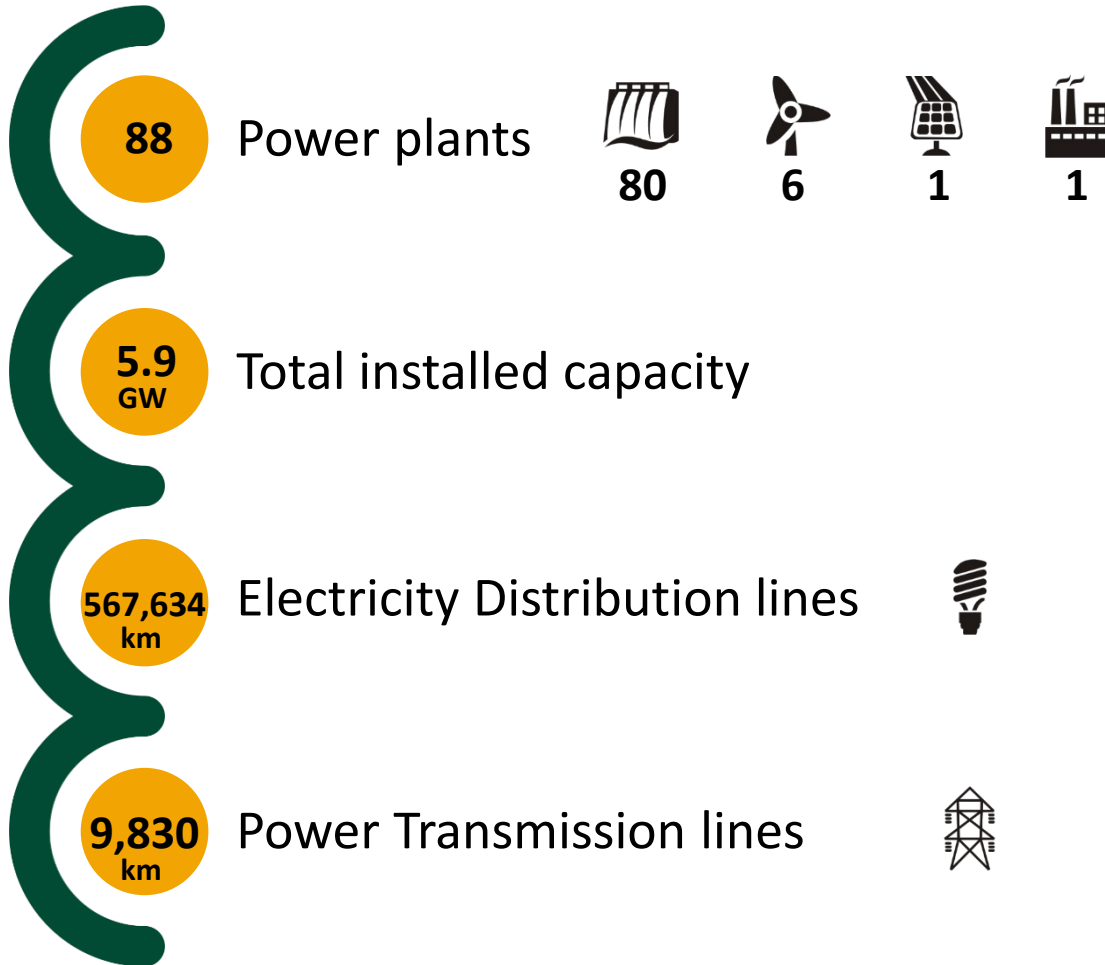
In the Power Industry since **1952**

**LEADER**

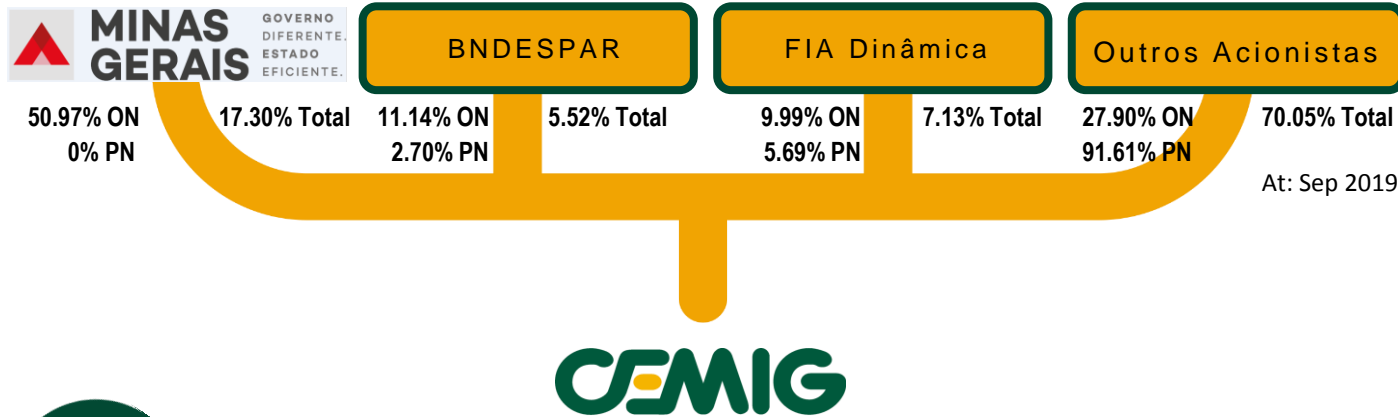
(1) As of November 18<sup>th</sup>, 2019

(2) In the Brazilian Energy Industry

(3) FX R\$/US\$4,04 –on August 20<sup>th</sup>, 2019



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 more than 40 countries
- Average daily trading volume until September 30<sup>th</sup>, 2019

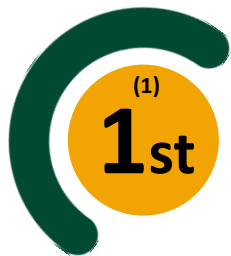
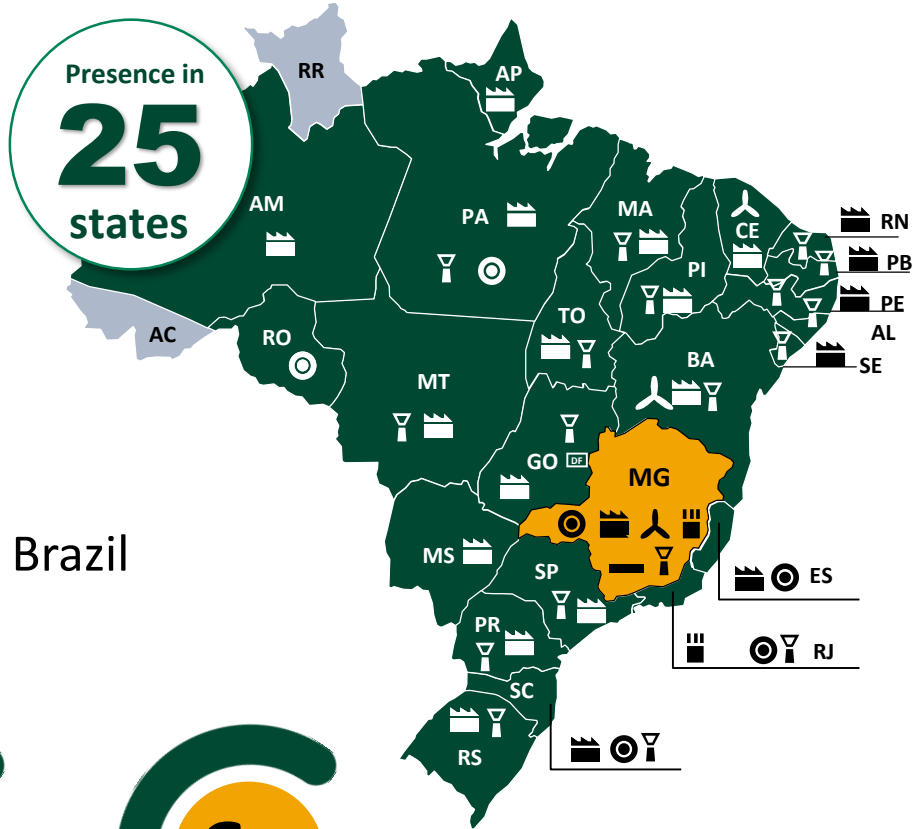
**R\$176.9M in Bovespa and US\$13.4M in NYSE**



**3** Solid dividend policy

# #1

## Integrated Power Utility in Brazil



Electricity Distributor



Largest Power Transmission Group



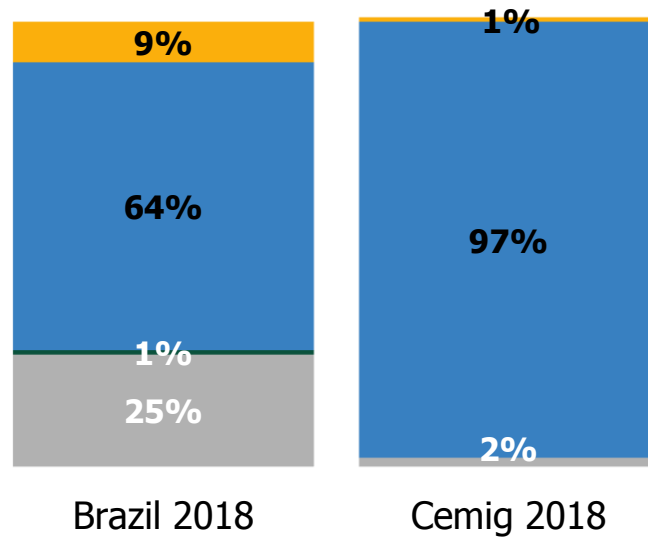
Largest Power Generation Group

- 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 – November, 2019

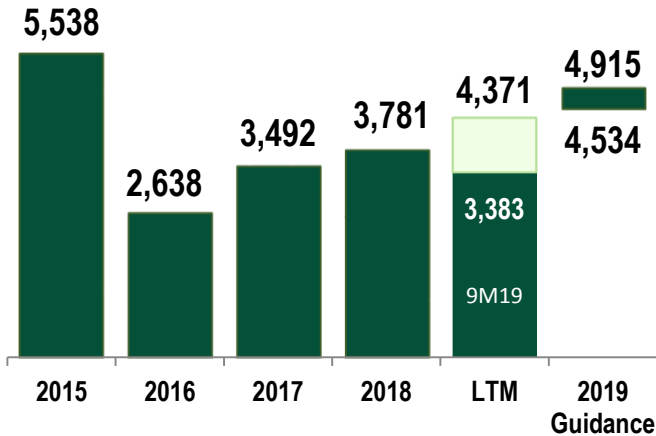
## Power Generation by Source



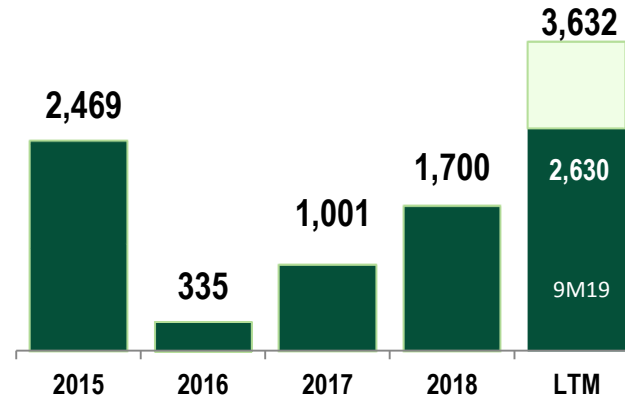
Fossil Source Fuels
  Nuclear
  Hydro
  Others

RENEWABLE LEADER

### Ebitda



### Net Income

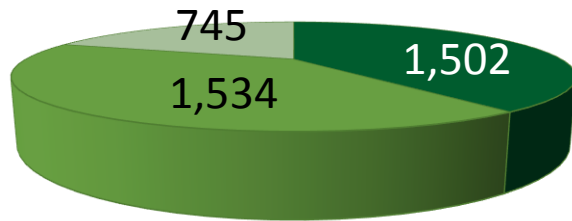


LTM: Last twelve months

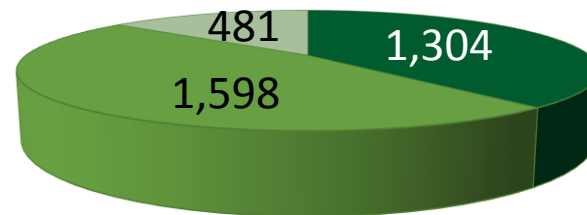
### Breakdown of Ebitda

Diversified, Low Risk Business Portfolio

2018



Sep/19



■ Cemig GT   ■ Cemig D   ■ Others

CASH GENERATION

Most of the revenues are inflation protected



## Bylaws

- Guaranteed - The minimum annual dividend

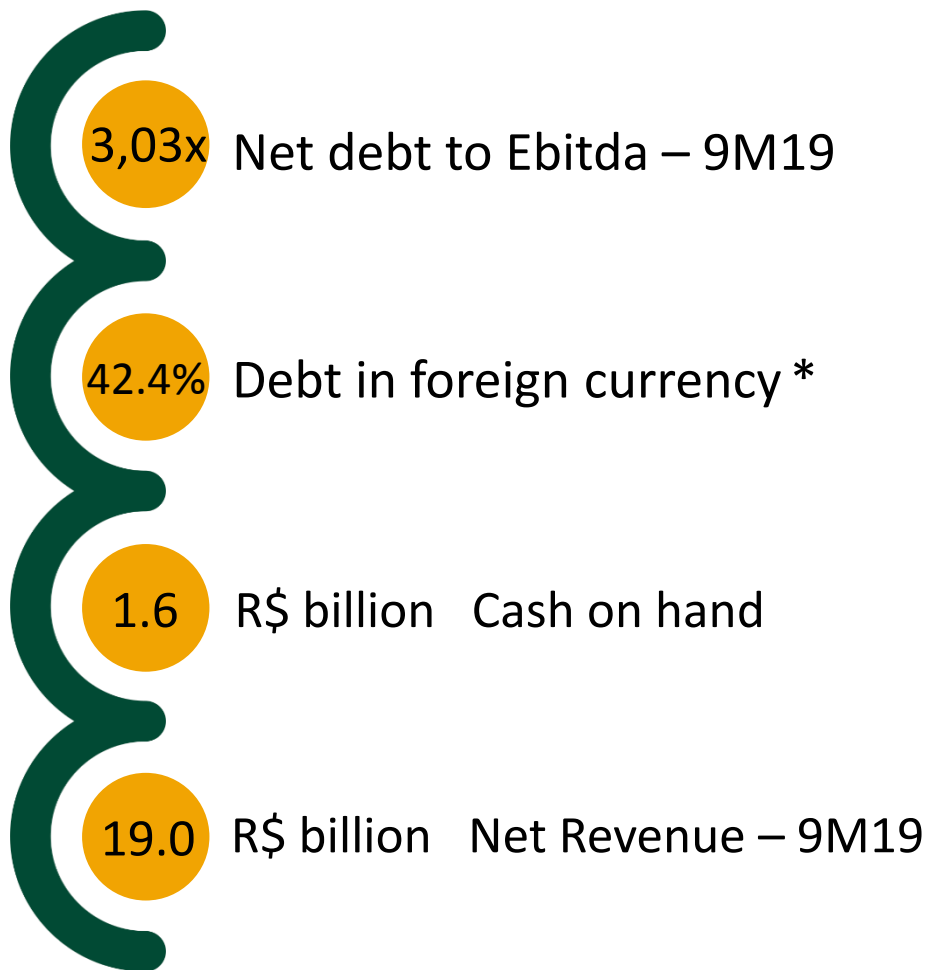
Shares	Number of Shares	Guarantee	Minimum Annual
Common	487,614,213	-	
Preferred	971,138,388	R\$ 0.50	R\$ 485,569,194
<b>Total</b>	<b>1,458,752,601</b>	-	<b>R\$ 485,569,194</b>

- Minimum payout – 50% of the net profit

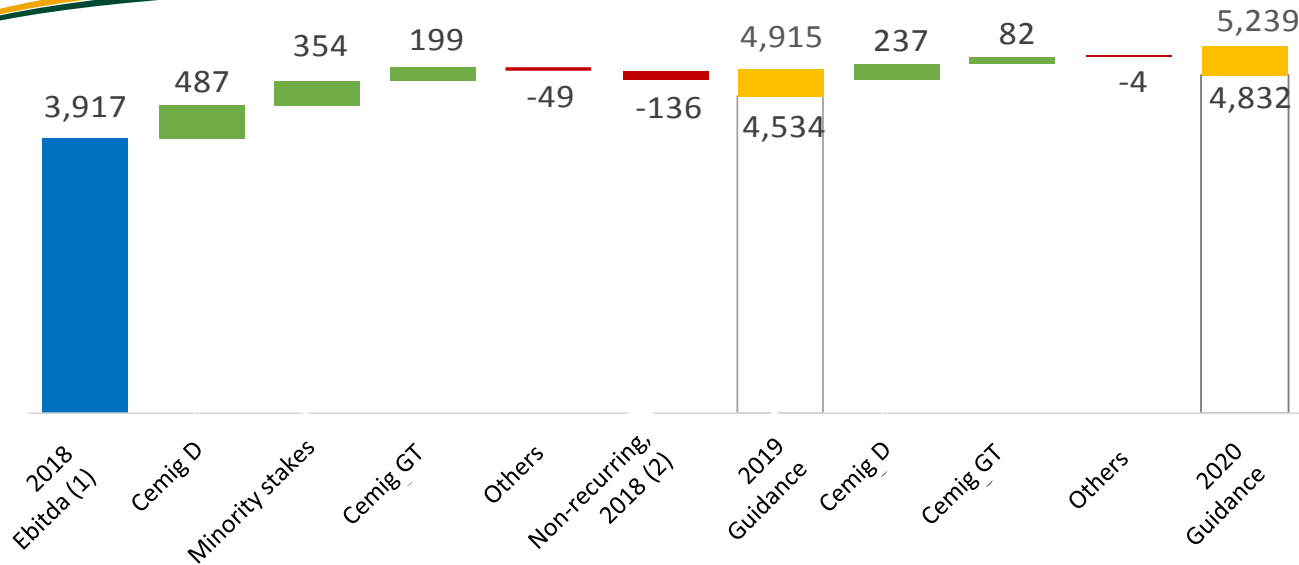
## Dividends approved to be paid in 2019:

- R\$867 million
  - R\$210 million - Interest on Equity
    - R\$105mn paid on 06/28/2019
    - R\$105mn to be paid on 12/27/2019
  - R\$657 million - Dividends (to be paid on 12/27/2019)
- R\$0.59 per share (preferred and common shares)
- Dividend yield of 4.2%\*

\* closing price of preferred shares on December 30, 2018

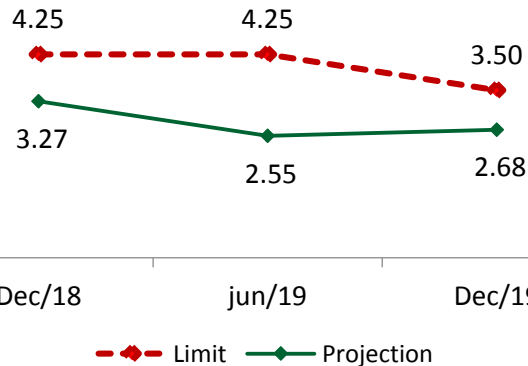


STABILITY

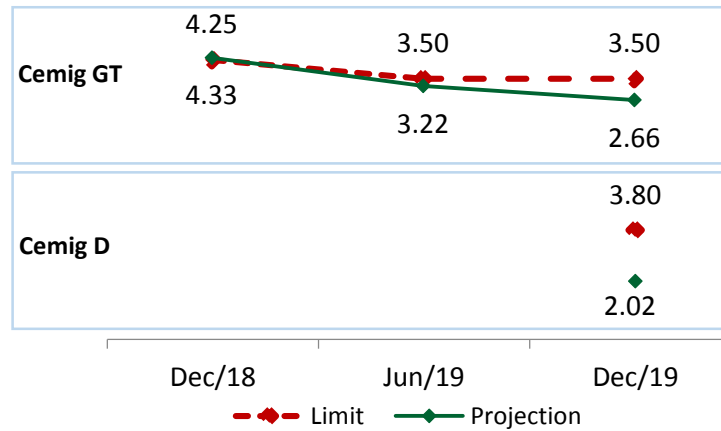


- (1) 2018 Ebitda (3,781) updated to June 2019 R\$.
- (2) Light, LightGer, Santo Antônio, Telecom, Wind farms (Parajuru and Volta do Rio), generation indemnity and Quotas revenue.
- (3) Calculation excludes cashflow from sale of Light.

**Net debt/Ebitda – Eurobond**



**Net debt/Ebitda Debentures – 7th Issue**

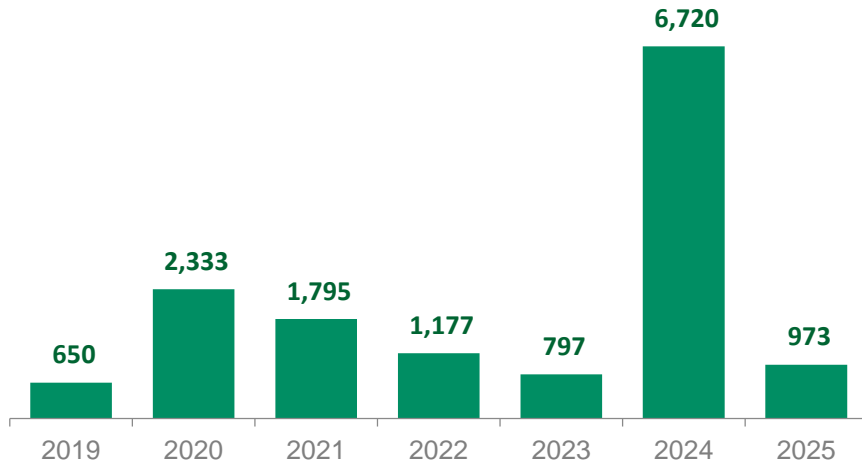


PROJECTION

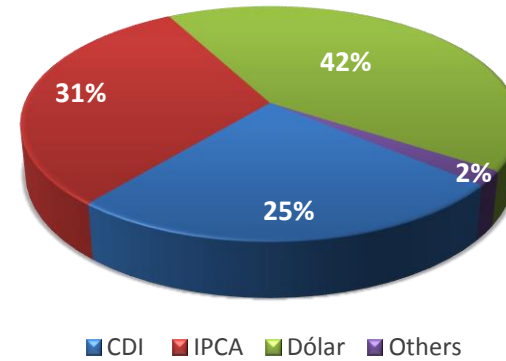
R\$ million – 9M19

## Maturities timetable – Average tenor: 4.4 years

Net debt: R\$13.6 bn

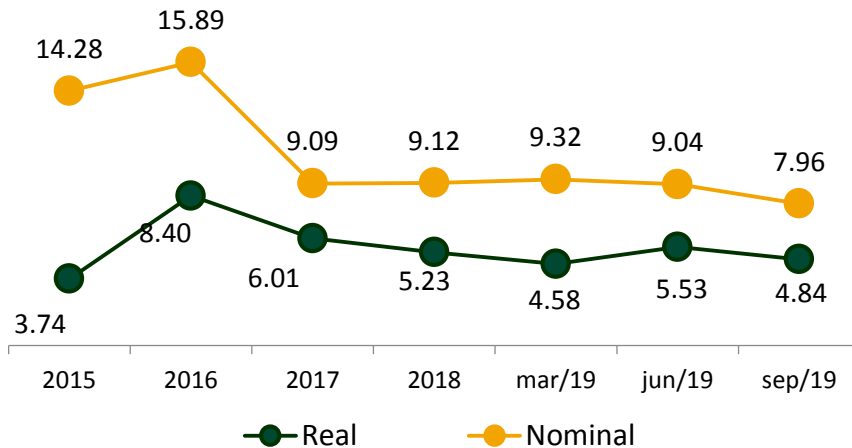


## Main indexors

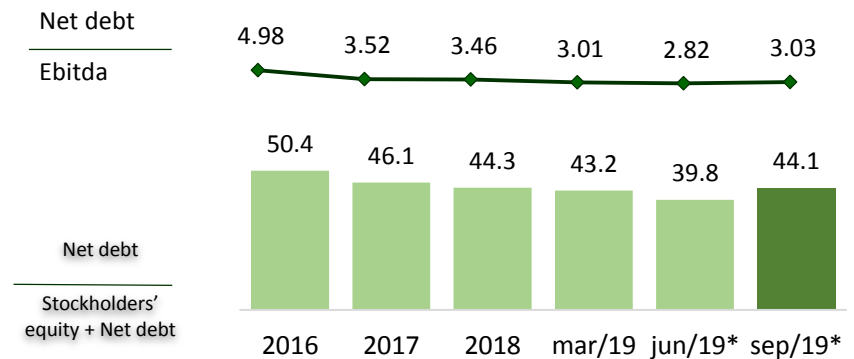


□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

## Cost of debt – %



## Leverage – %

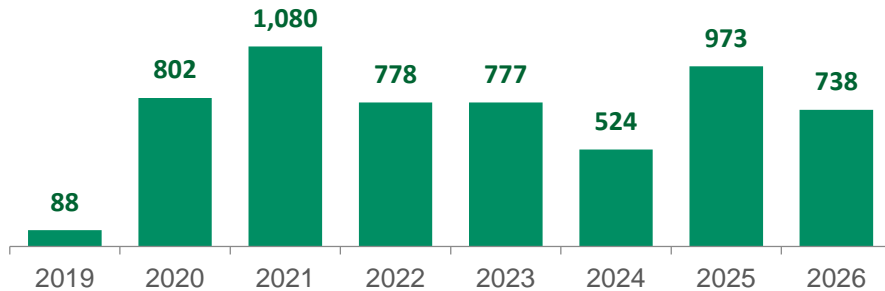


\* Adjusted Ebitda

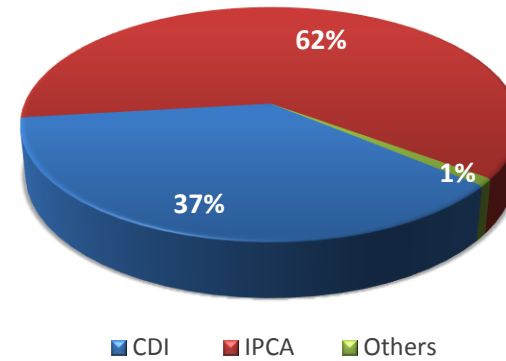
R\$ million – 9M19

Maturities timetable – Average tenor: 4.1 years

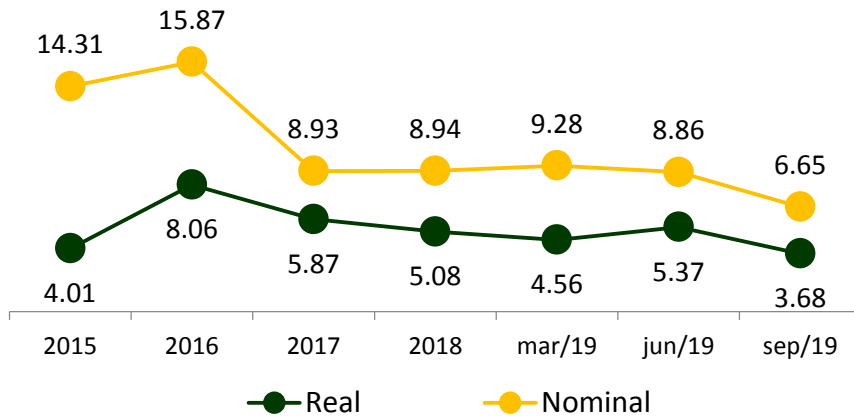
Net debt : R\$5.6 bn



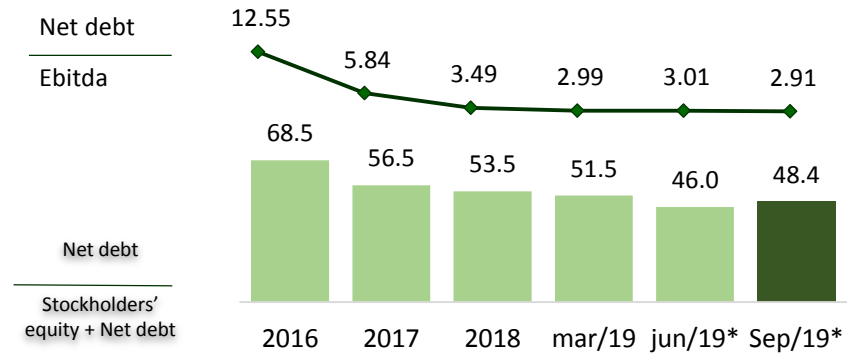
Main indexors



Cost of debt – %



Leverage – %

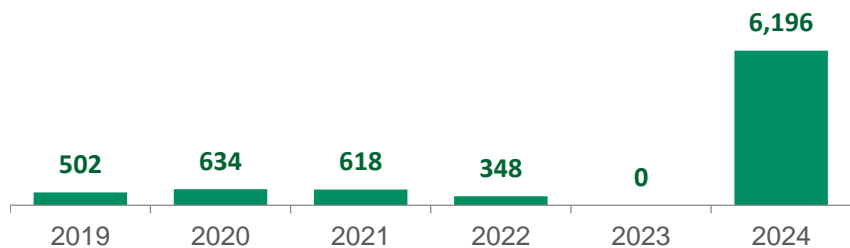


\* Adjusted Ebitda

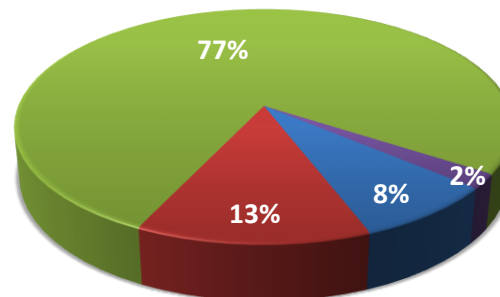
R\$ million – 9M19

### Maturities timetable – Average tenor: 4.4 years

Net debt : R\$7.5 bn



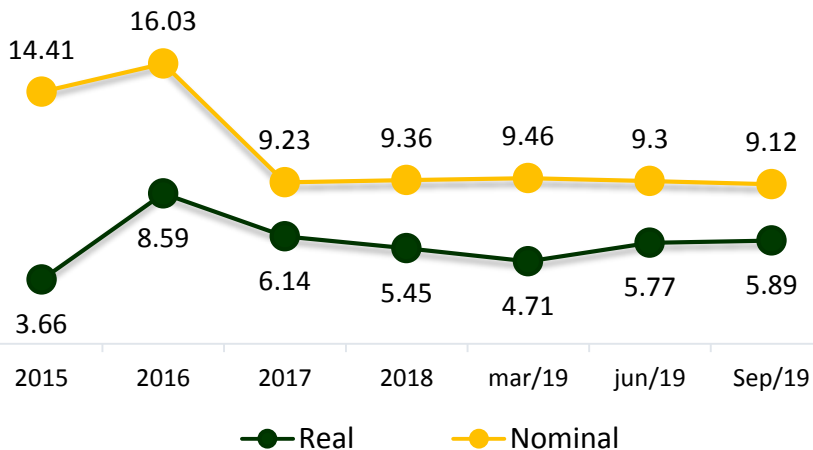
### Main indexors



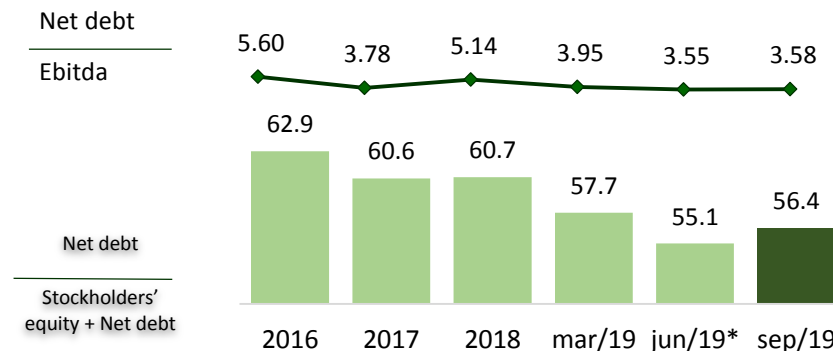
CDI    IPCA    Dólar    Others

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

### Cost of debt – %



### Leverage – %



\* Adjusted Ebitda

## Strategy was designed to deleverage Cemig

ASSET SALE

Company	Stake %	Amount R\$ MM	Status
<b>Realized</b>			
	9.86%	717 <sup>1</sup>	Block trade completed
	25%	80 <sup>1</sup>	Transfer, to Taesa, completed (November, 2017)
	100%	649 <sup>1</sup>	Auction for sale of assets concluded – August 08, 2018
Consórcios de Exploração de Gás	24.50%	0 <sup>1</sup>	Auction concluded– in the process of assignment of contracts
	10.97% <sup>5</sup>	625 <sup>1</sup>	Sales of 33,333,333 shares, through <i>follow-on</i> , on July 11, 2019
<b>In progress</b>			
	-	- <sup>3</sup>	Debt reprofiling and sale of assets
	22.58% <sup>5</sup>	1,357 <sup>4</sup>	Lock-up of 90 days. 68,621,264 shares available for sale
	15%	727 <sup>2</sup>	Resumption of negotiations with the potential buyer
	49% ON 100% PN	1,472 <sup>2</sup>	Structuring of sale model in legal analysis
	12%	1,677 <sup>2</sup>	Available for sale
Cachoeirão, Pipoca, Paracambi	49%	128 <sup>2</sup>	Available for sale

- (1) Total value
- (2) Book value
- (3) Amount related to the anticipation of receivables due by Renova
- (4) Market value(B3) on July 16th, 2019: R\$19.78/share
- (5) Stake after dilution of 100,000,000 shares held on July 11th, 2019



**A+(bra)** Cemig H, Cemig GT and Cemig D National Scale  
**BB-** Cemig H, Cemig GT e Cemig D Global Scale

Investment grade							Speculative Grade																
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	CC	C	RD/D				
												Bond											



**brA+** Cemig H, Cemig GT e Cemig D National Scale  
**B** Cemig H, Cemig GT e Cemig D Global Scale

Investment grade							Speculative Grade														
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D
													Bond								



**Baa1.br** Cemig H, Cemig GT e Cemig D National Scale  
**B1** Cemig H, Cemig GT e Cemig D Global Scale

Investment grade						Speculative Grade														
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C

RATING



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:

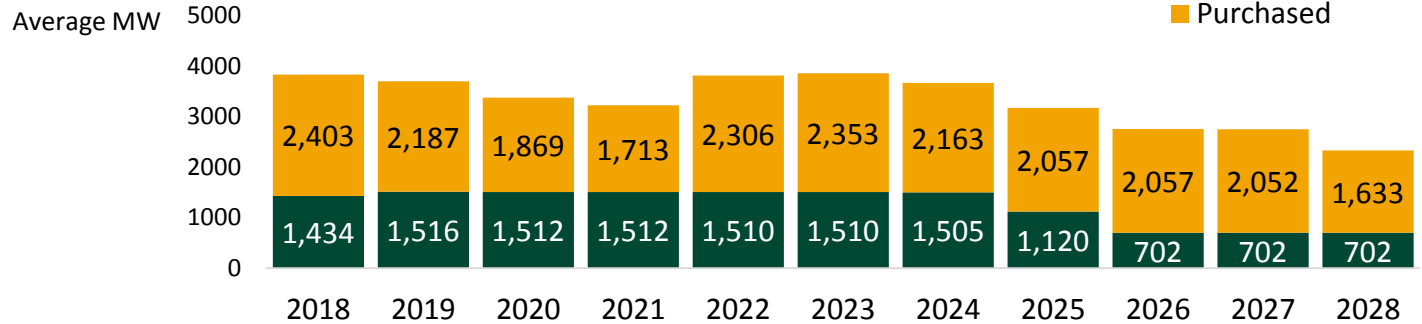
- Investment around R\$ 5 billion
- Investment on 'Special obligations' around R\$ 1.2 billion
- Opex: Cemig D scores above average in efficiency metrics

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

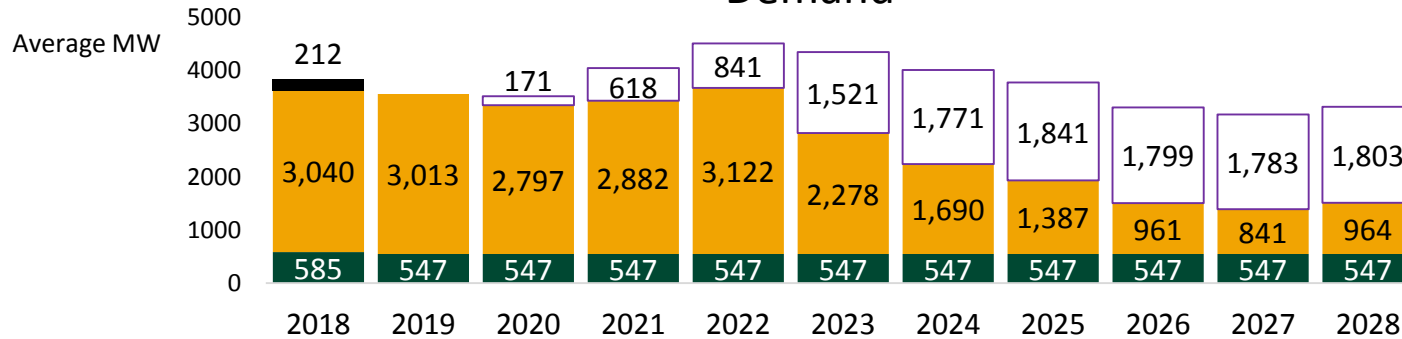
Position in September, 2019

## Supply



Total Supply	3,837	3,703	3,381	3,225	3,816	3,863	3,668	3,177	2,759	2,754	2,335
Current Balance	-	143	37	-204	147	1,038	1,431	1,243	1,251	1,366	824
Total Demand	3,837	3,560	3,344	3,429	3,669	2,825	2,237	1,934	1,508	1,388	1,511

## Demand



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



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



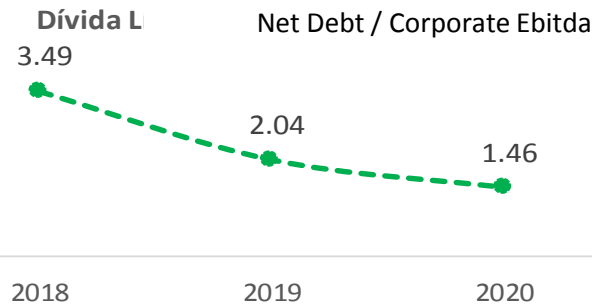
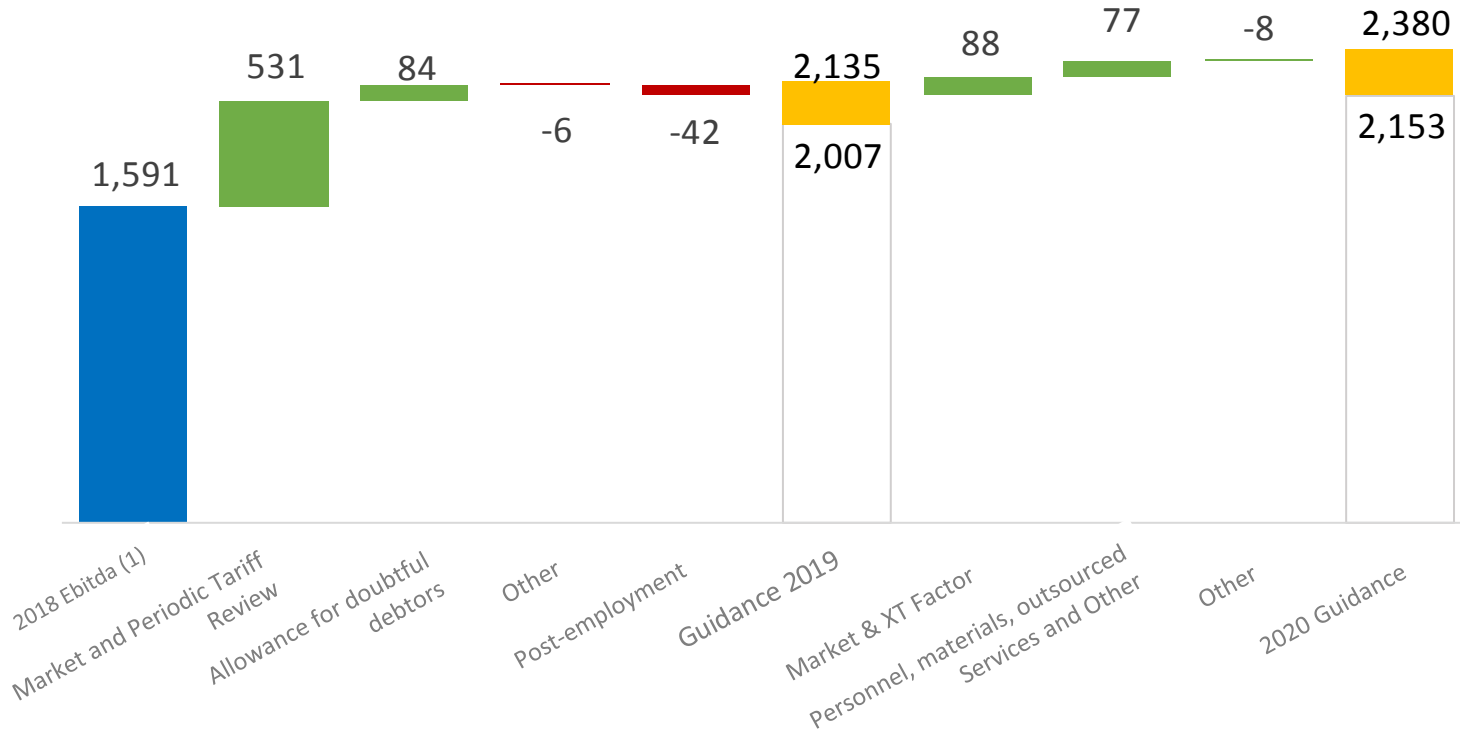
# CEMIG

## Investor Relations

Tel: +55 (31) 3506-5024

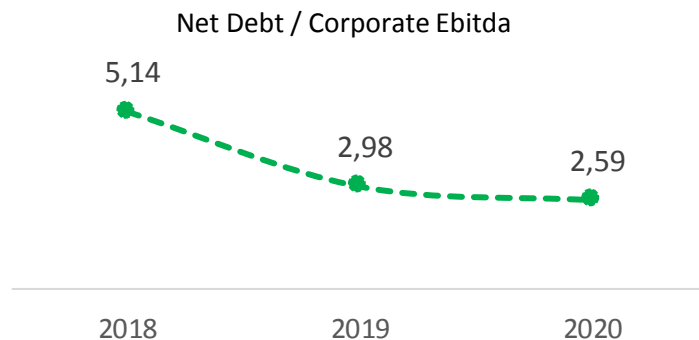
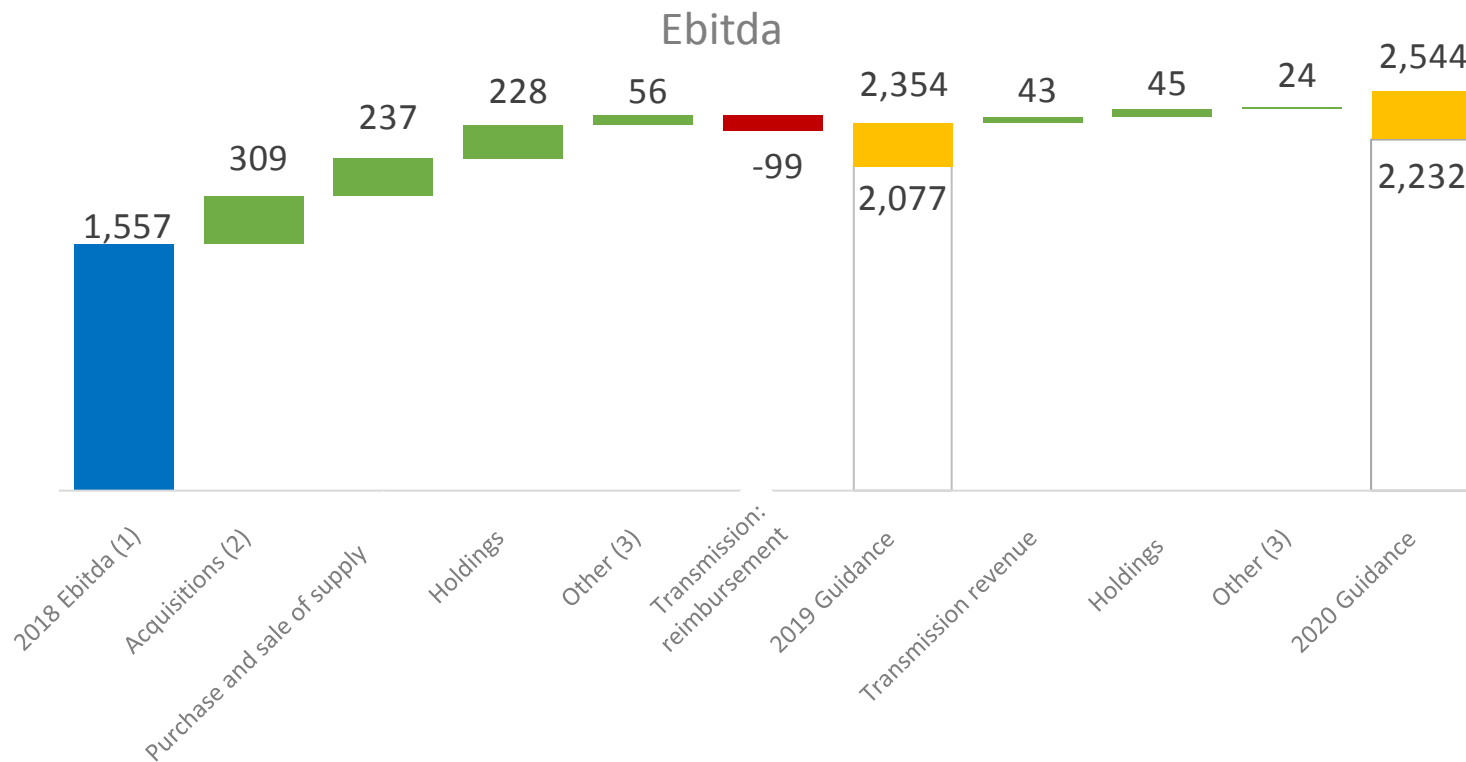
[ri@cemig.com.br](mailto:ri@cemig.com.br)

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



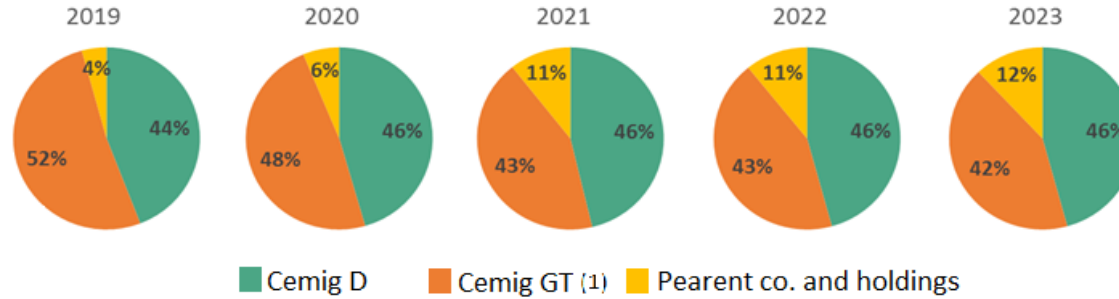
Guidance

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



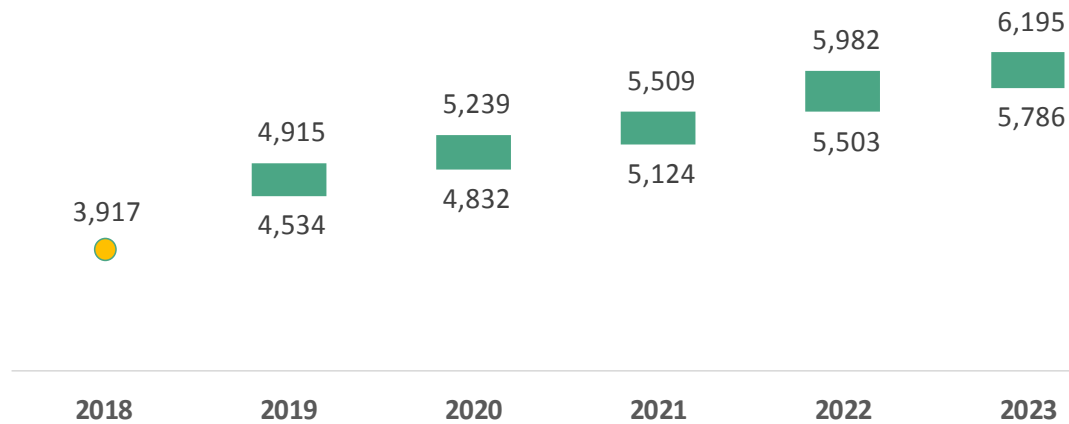
(1) 2018 adjusted Ebitda (1,517) adjusted to June 2019 R\$.  
 (2) Parajuru, Volta do Rio and wholly-owned subsidiaries of the Cemig parent company.  
 (3) Includes PMSO, PDV, other revenues and expenses and non-recurring items.

## Ebitda breakdown



(1) Cemig GT and its subsidiaries.

## EBITDA



## 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

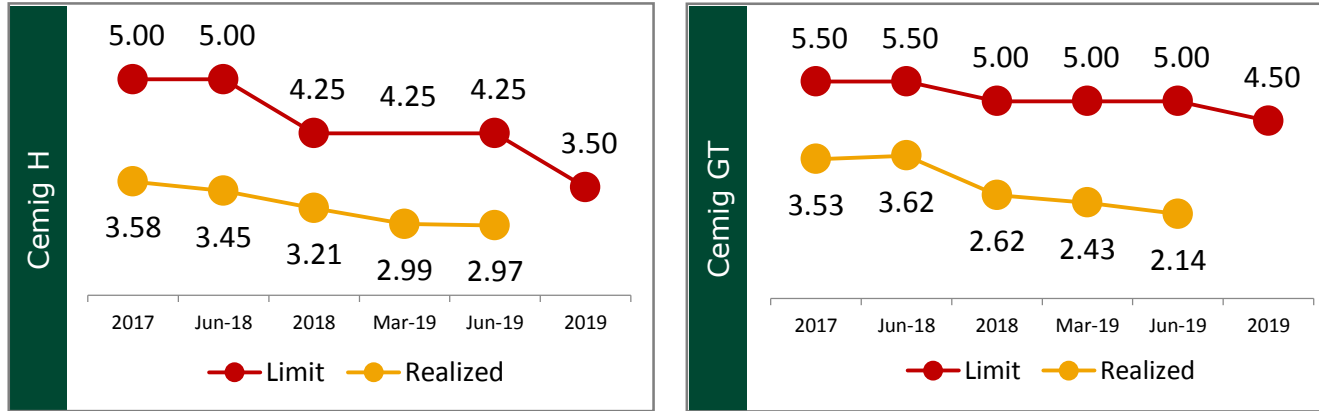
12 months	9M19	
R\$ (in million)	GT	H
<b>Net income for the period/year</b>	<b>1,547</b>	<b>3,633</b>
Net financial expenses	-1,025	-2,232
Income tax and Social Contribution tax	1,032	1,918
depreciation and amortization; minus	261	975
<b>EBTIDA</b>	<b>1,815</b>	<b>4,294</b>
minority interest result; minus	113	-134
provisions for the variation in value of put option obligations; minus	78	64
non-operating result (which includes any gains on asset sales and any asset write-off or impairments); plus	107	147
non-cash revenues related to transmission and generation indemnification; plus	-139	-139
cash dividends received from minority investments (as measured in the statement of cash flows); minus	118	263
monetary updating of concession grant fees; plus	-320	-320
cash inflows related to concession grant fees; plus	257	257
cash inflows related to transmission revenue for cost of capital coverage; plus	179	179
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,	1,027	521
<b>Covenant EBITDA</b>	<b>3,235</b>	<b>5,132</b>



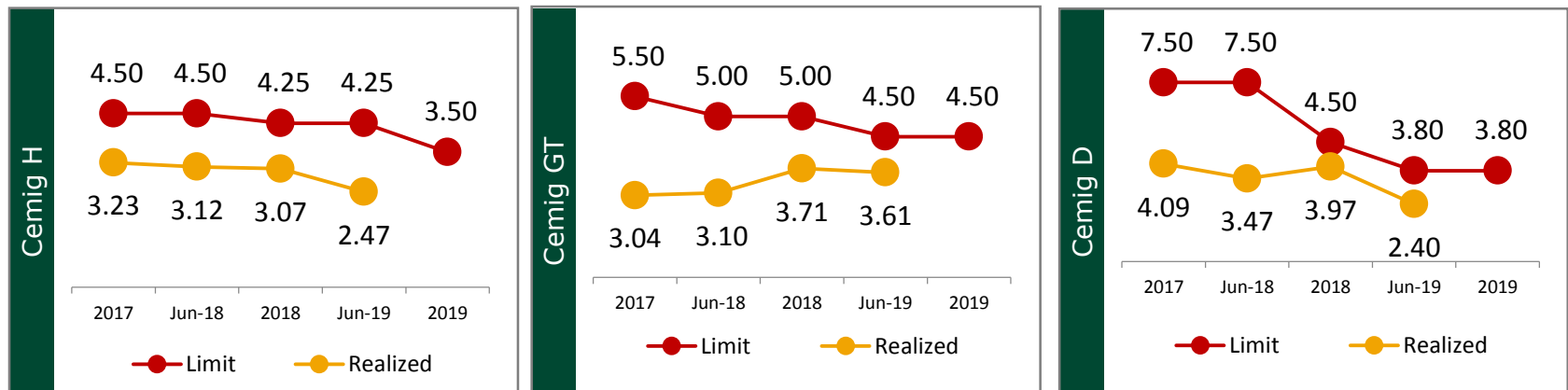
12 months	9M19	
R\$ (in million)	GT	H
<b>Consolidated Indebtedness</b>	<b>8,298</b>	<b>15,184</b>
debt contracts with Forluz; plus	134	590
the carrying liability of any put option obligation, less	467	467
consolidated cash and cash equivalents and consolidated marketable securities recorded as current assets.	-843	-1,558
<b>Covenant Net Debt</b>	<b>8.056</b>	<b>14.683</b>
<b>Covenant Net Debt to Covenant EBITDA Ratio</b>	<b>2,49</b>	<b>2,86</b>
Limit Covenant Net Debt to Covenant EBITDA Ratio	5.00	4.25
Total Secured Debt		1.000
Total Secured Debt to Covenant EBITDA Ratio		0,19

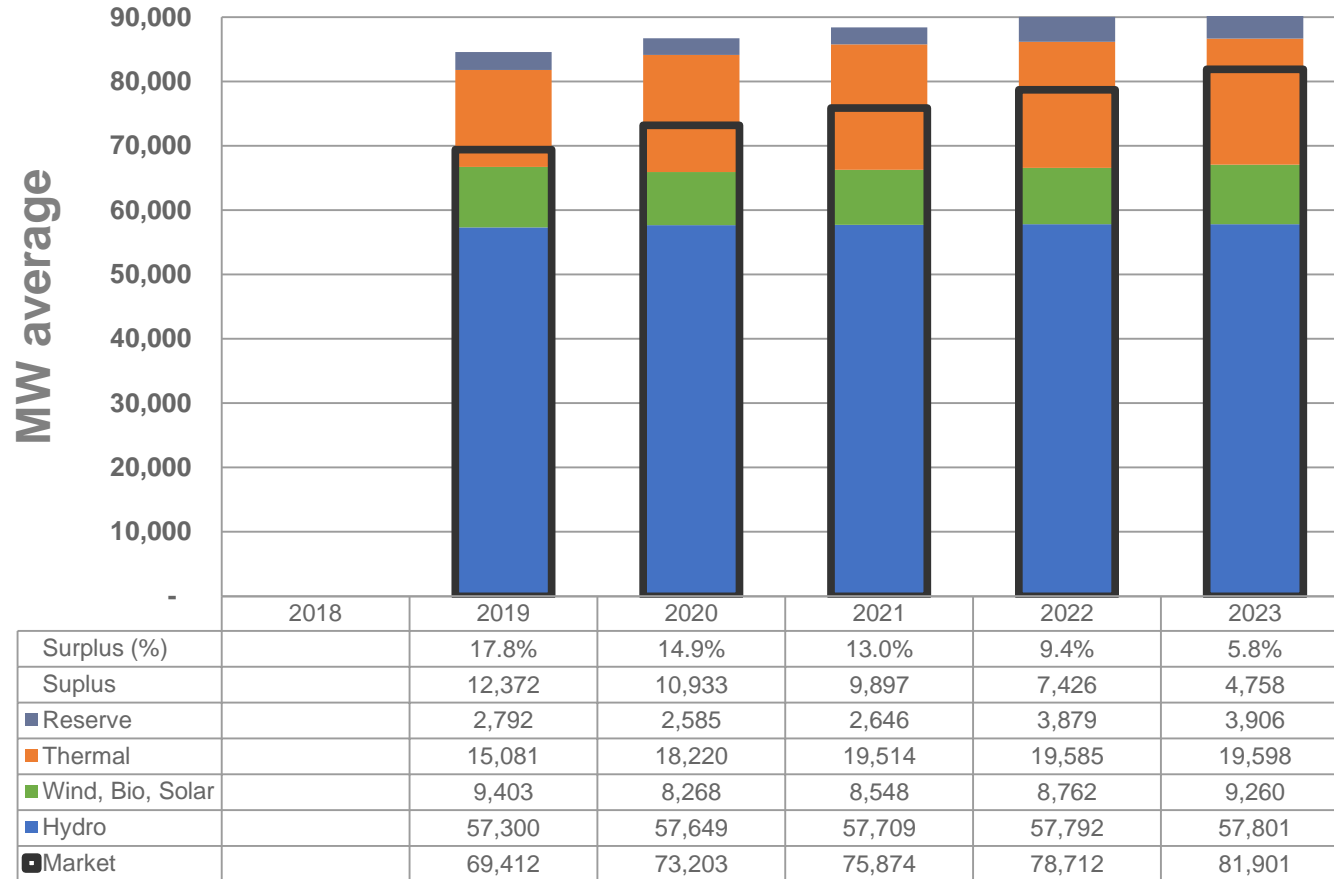
# Net debt/Ebitda

Eurobonds' Covenant - (LTM – Last twelve months)



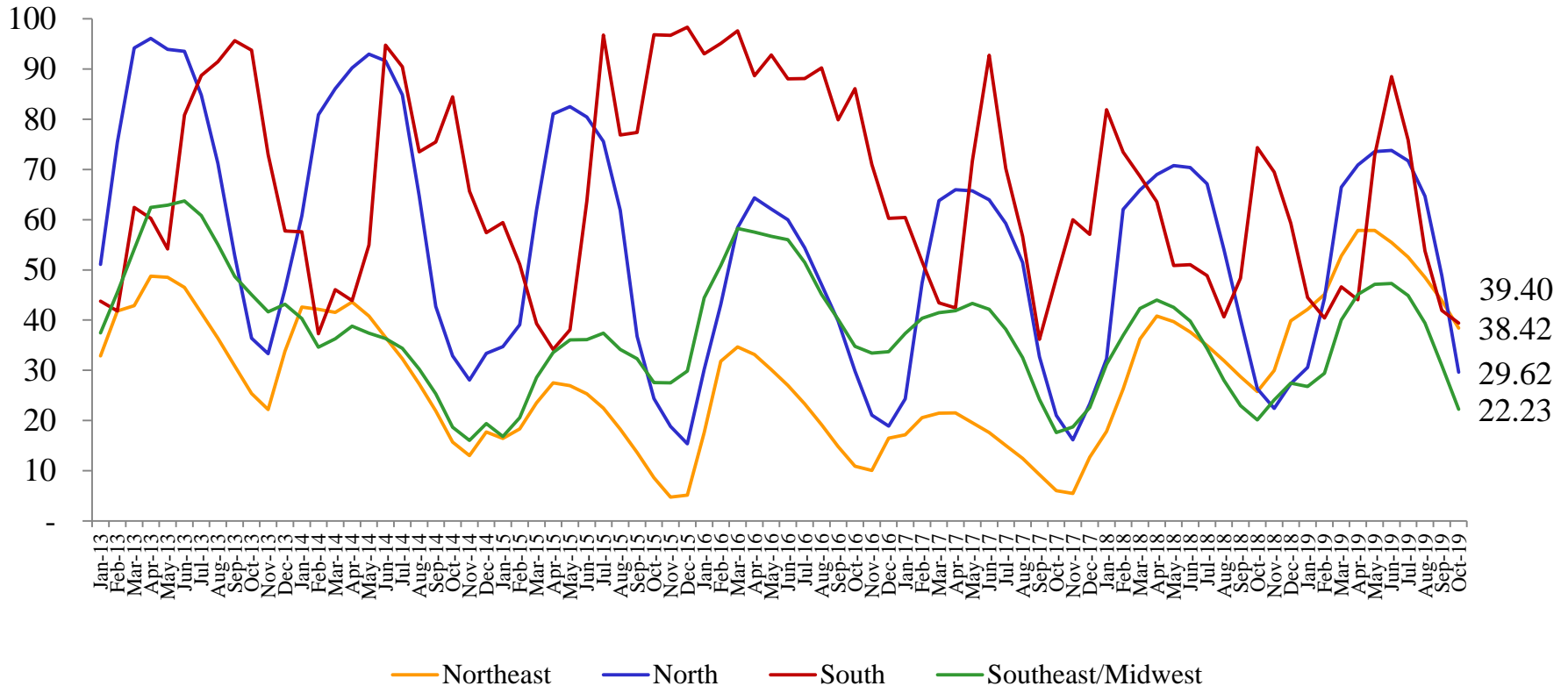
Reprofiling's Covenant - (LTM – Last twelve months)





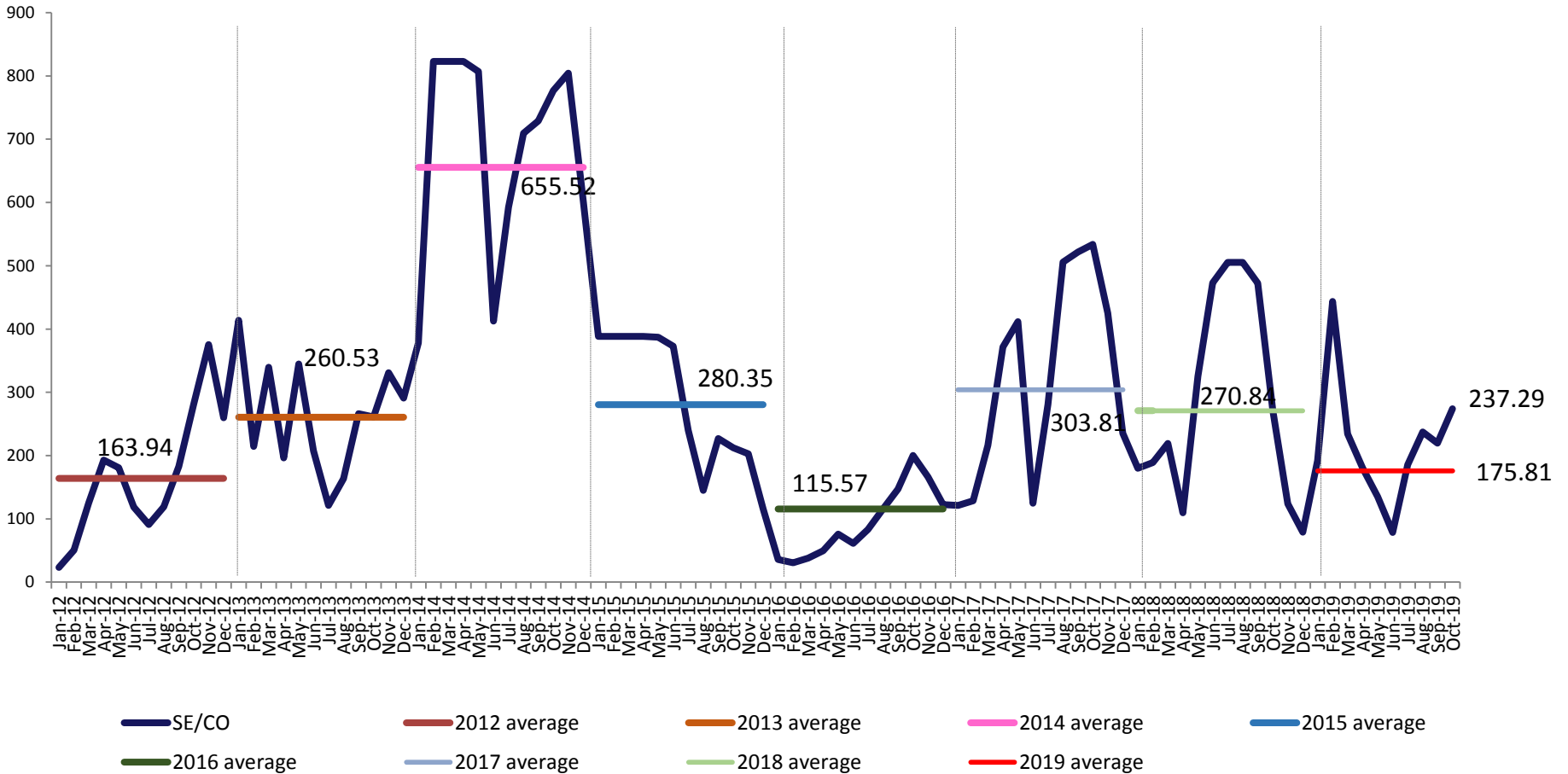
Source: May 2019 monthly operational survey (PMO).

by region (%)\*

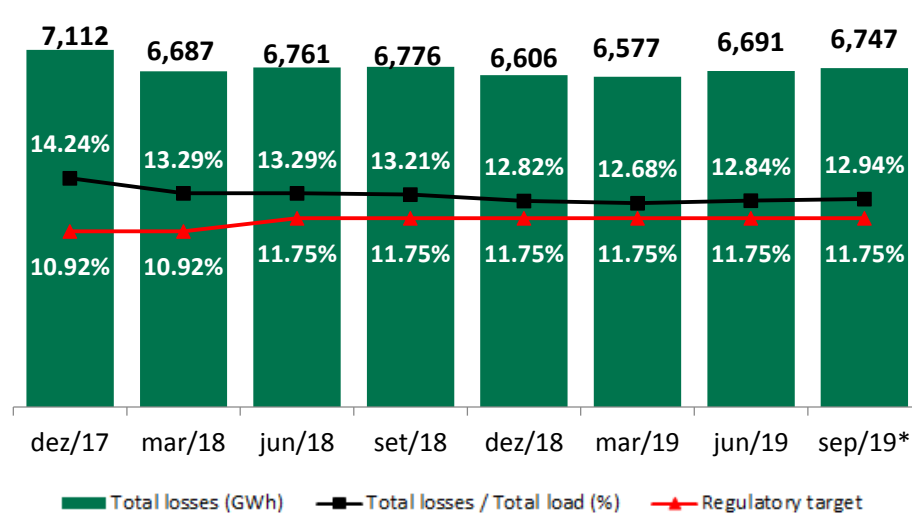


\*Source: ONS

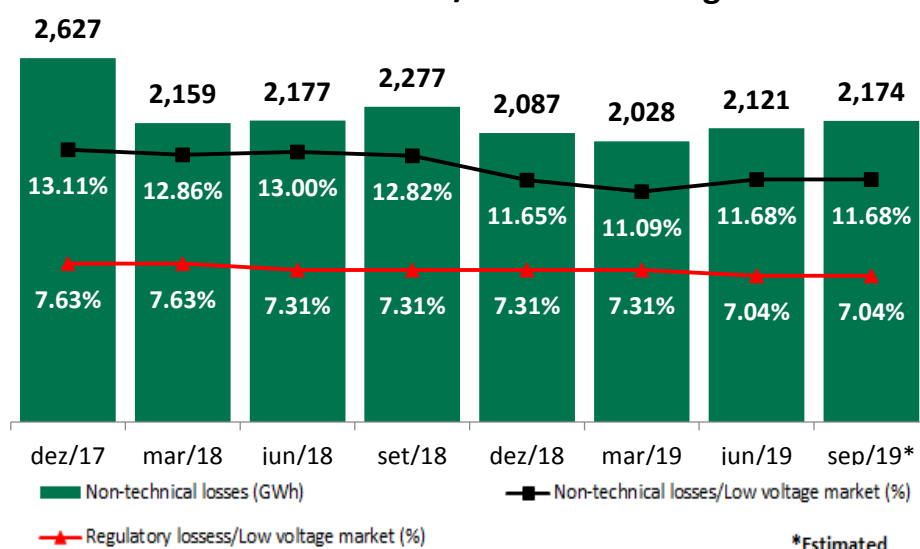
Brazil: eletricity spot price – monthly average (R\$/MWh)



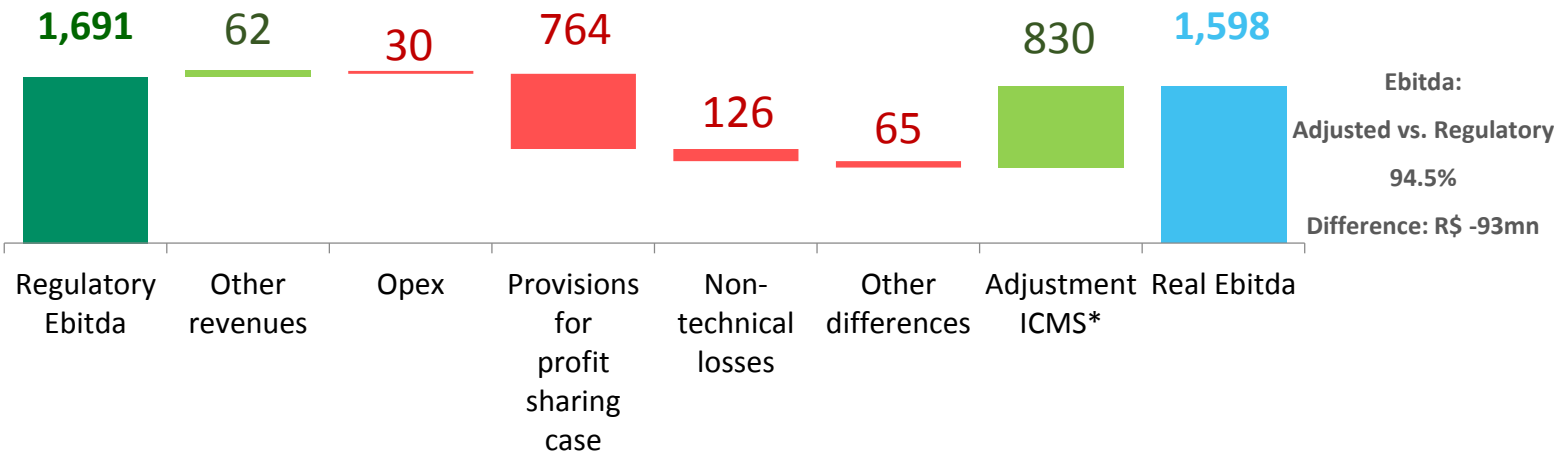
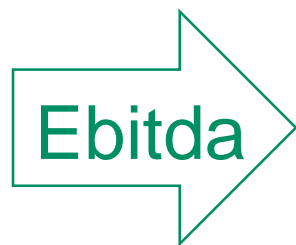
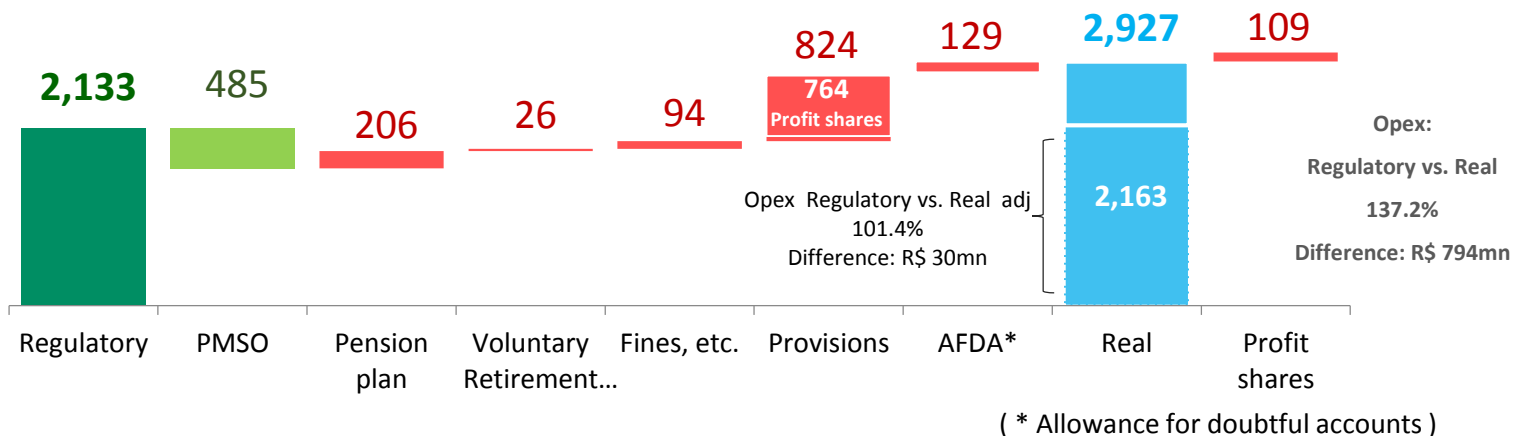
## Total losses/Total load



## Non-technical losses/Total Low voltage market



\*Estimated



\* Exclusion of ICMS tax from the taxable base for Pasep and Cofins taxes

Average daily trading volume in 2018

**BOVESPA:** R\$120.1 million

**NYSE:** US\$10.4 million

**North America**

Canada  
USA



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

**Central America**

Bahamas  
Bermuda  
Cayman islands

**South America**

Argentina  
Brazil  
Chile  
Uruguay



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

**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

**ASIA**

Brunei  
Japan  
India  
Malaysia  
Singapore  
South Korea  
Taiwan  
China

**Middle East**

UAE  
Kuwait  
Oman  
Saudi Arabia

**Africa**

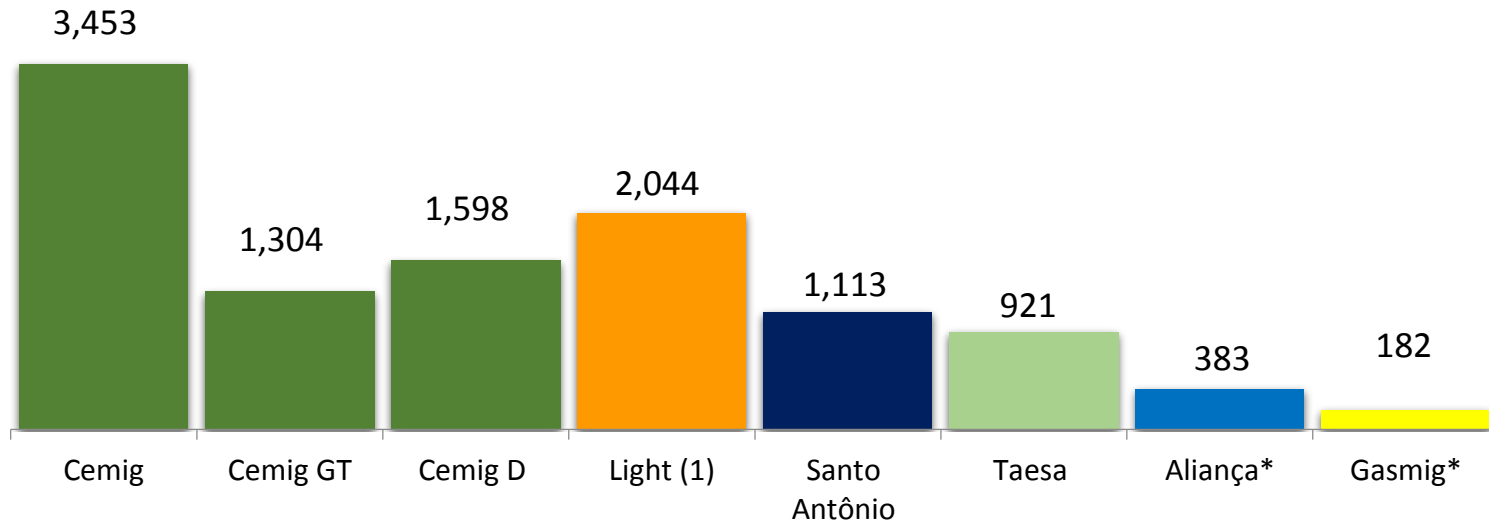
South Africa

**OCEANIA**

Australia  
New Zealand

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



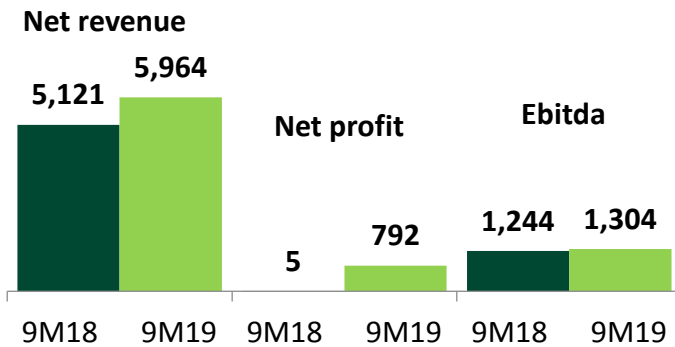
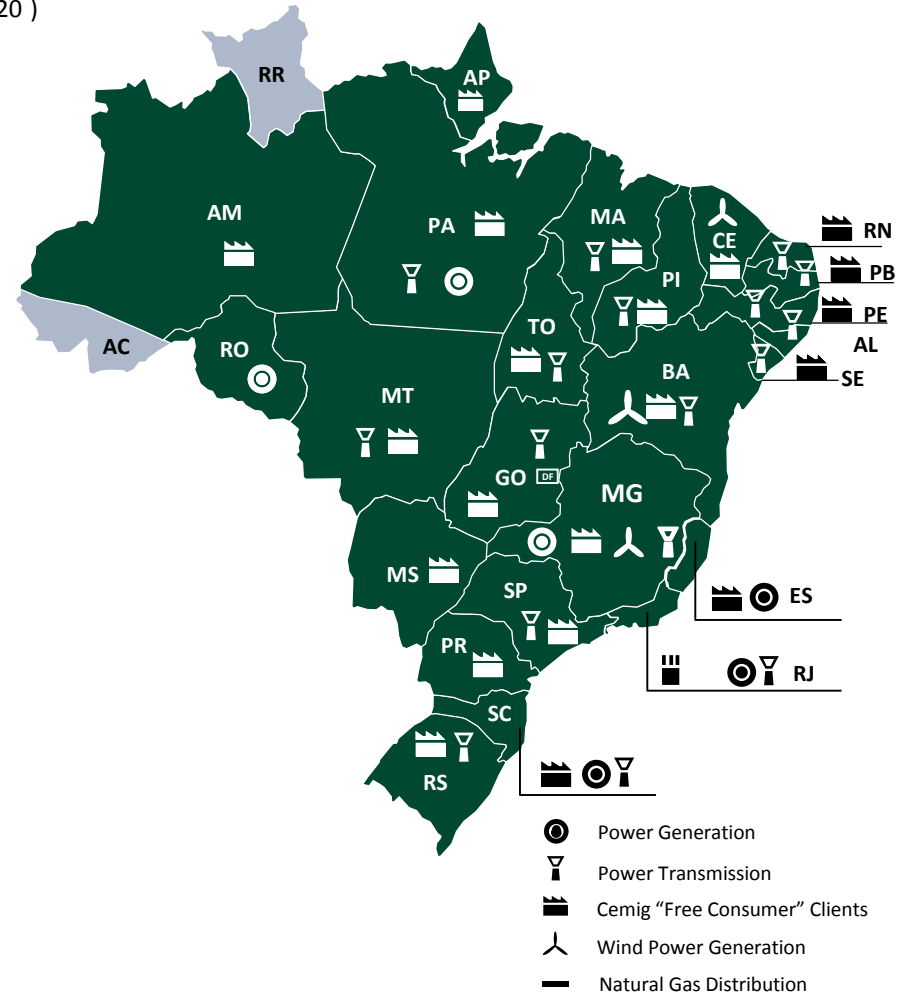


Companies	9M19	% Cemig	Proportional	Guidance 2019
Cemig	3,383			4,534 - 4,915
Cemig GT	1,304	100.00	1,304	2,077 - 2,354
Cemig D	1,598	100.00	1,598	2,007 - 2,135
Light	2,044	22.58	462	
Santo Antônio	1,113	15.51	173	
Taesa	921	21.68	200	
Aliança*	383	45.00	172	
Gasmig*	182	99.57	181	

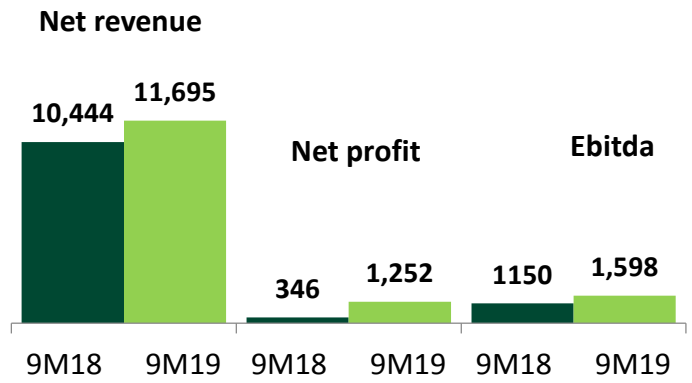
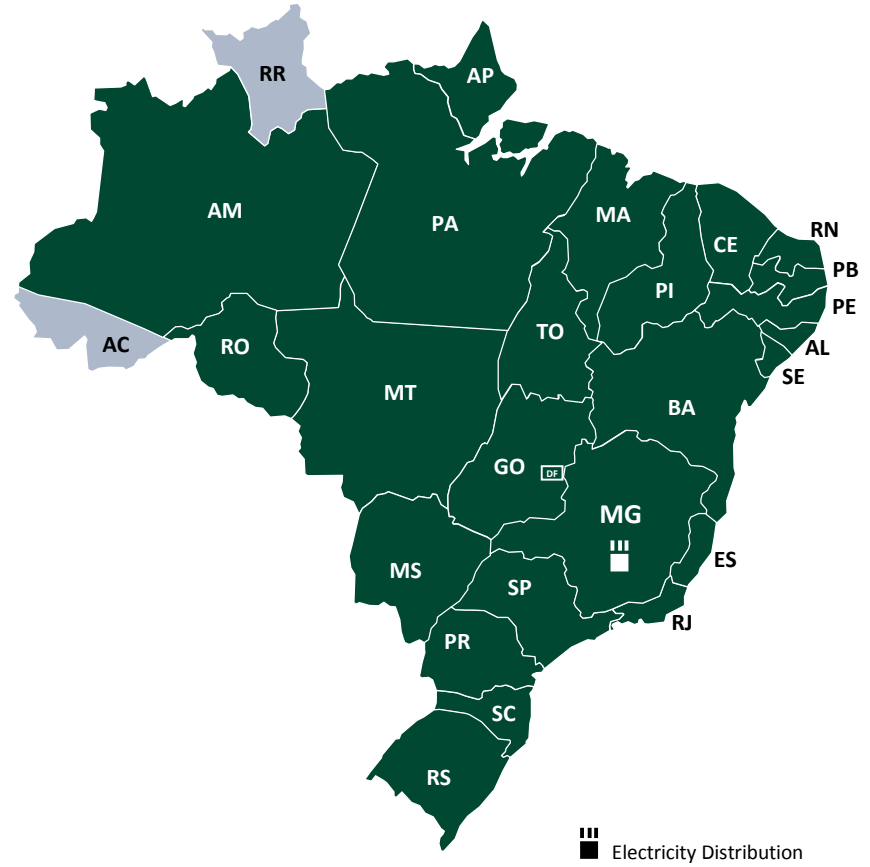
\*Estimated

(1) ICMS tax from the taxable base for Pasep and Cofins taxes

- 637 R\$ mn RAP - Annual Permitted Revenues (2019/2020)
- 4,930 Km in transmission line
- 2.9 GW Total installed capacity



- 8,9 R\$ bn Net RAB - Regulatory Asset Base
- 536,569 Km in distribution line
- 8.5 Number of consumers (thousands)

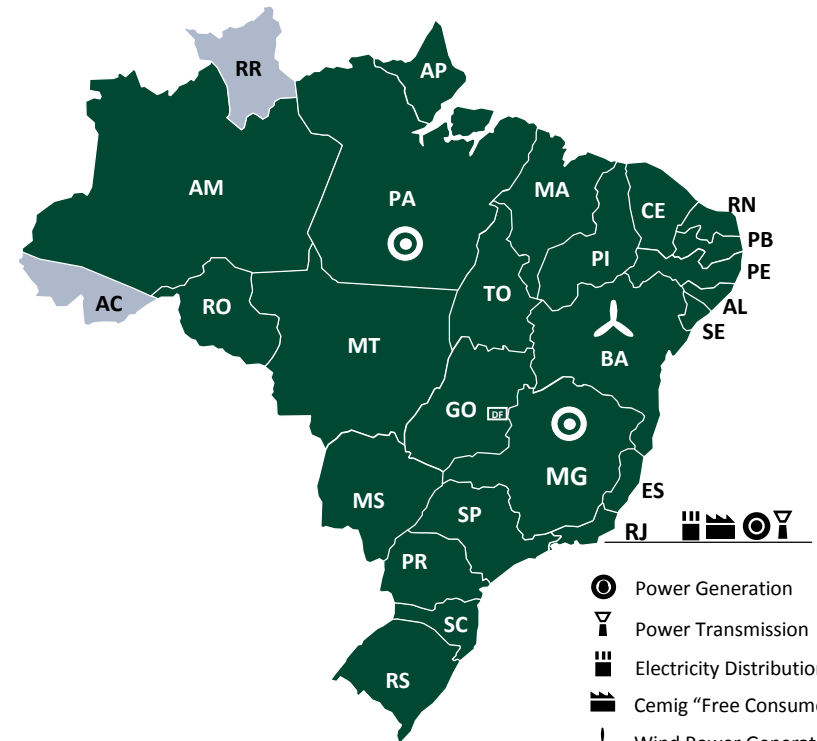
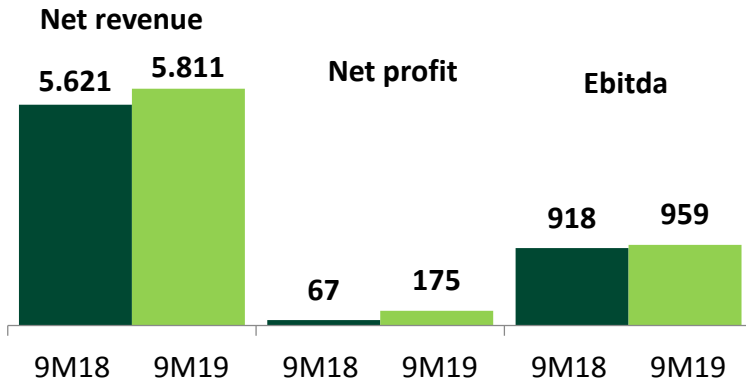
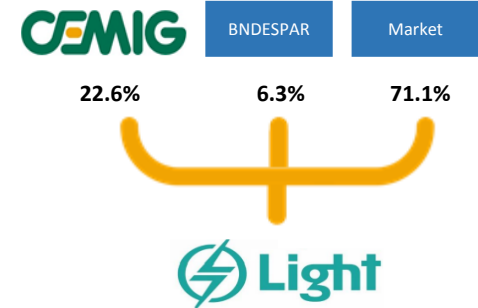


8.5 R\$ bn Net RAB - Regulatory Asset Base

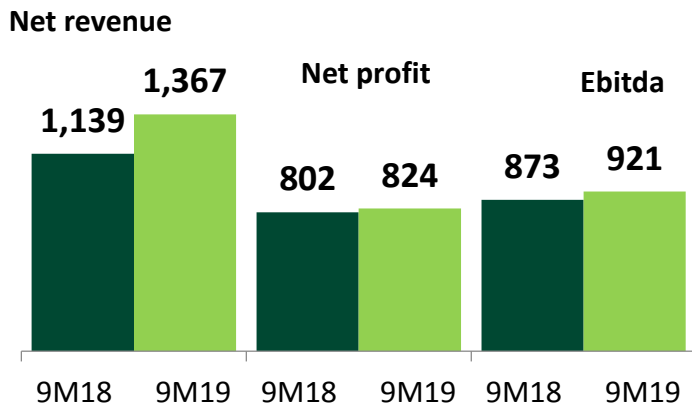
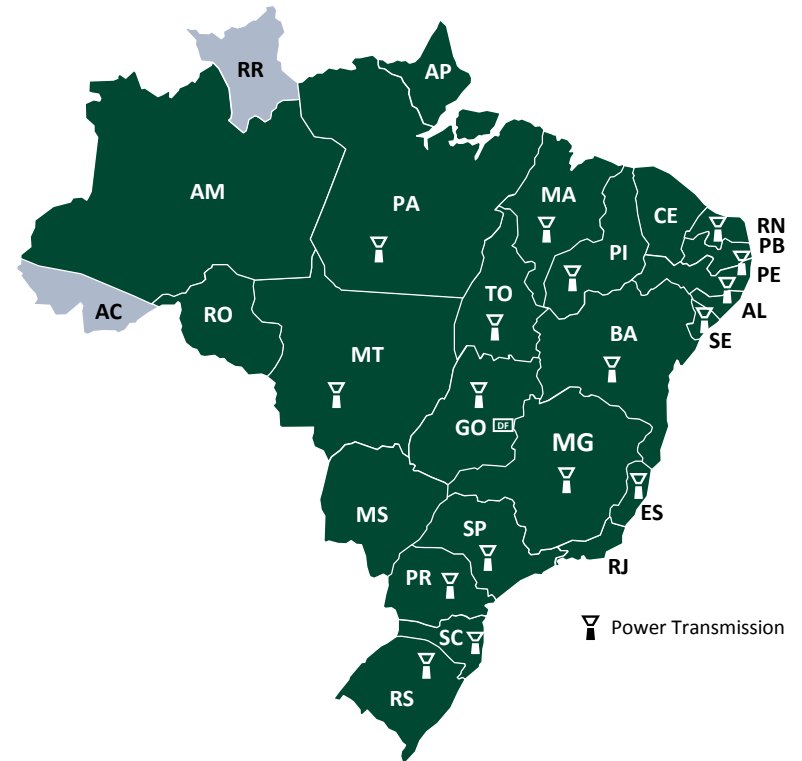
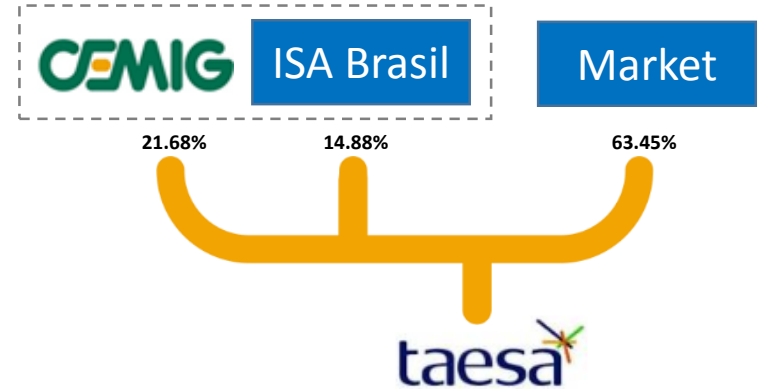
1,024 MW installed capacity

648 MWavg Assured Energy

5.9 R\$ bn of market capitalization  Nov, 21<sup>st</sup>



- 2.6 R\$ bn RAP - Annual Permitted Revenues (2018/2019)
- 12,135 Km in transmission line
- 9.5 R\$ bn of market capitalization  
Nov, 21<sup>st</sup>



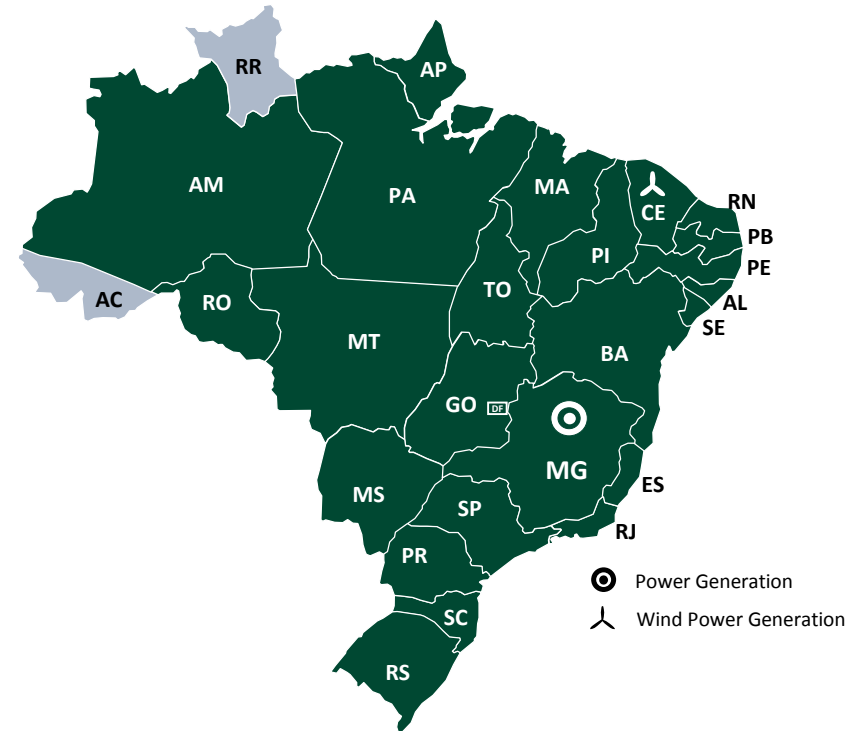
- 8 Enterprises in operation
- 1,257 MW installed capacity
- 695 MWavg Assured Energy

45%

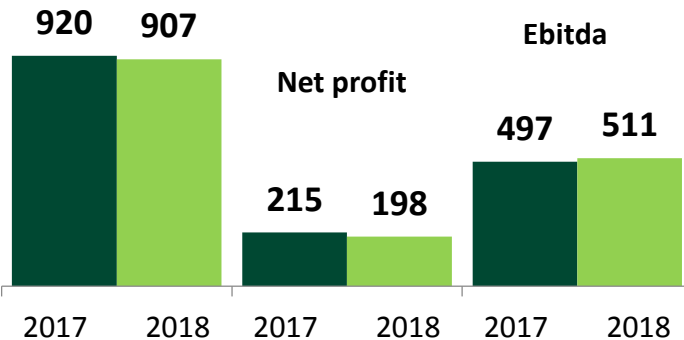
55%



A nova geração da energia.



Net revenue



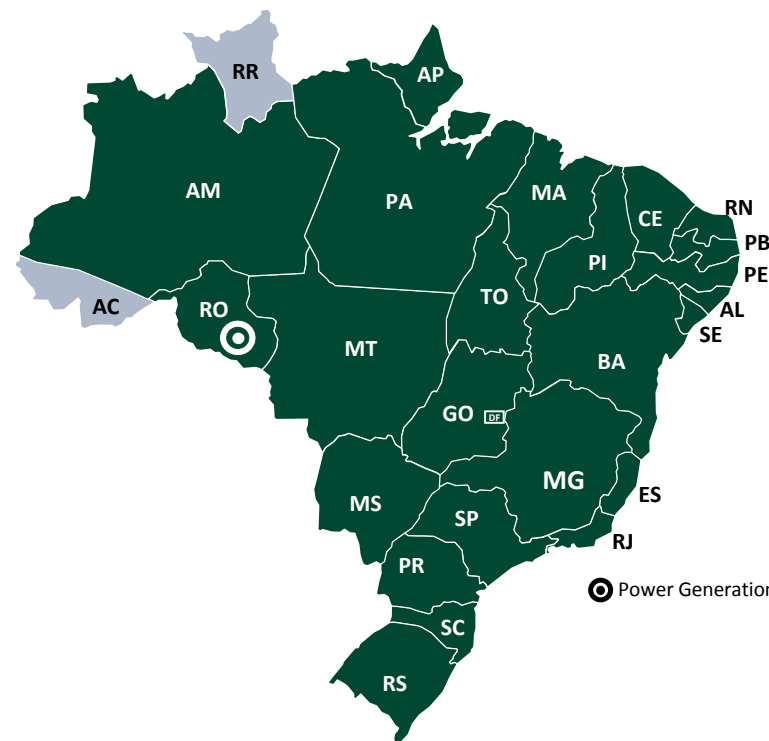
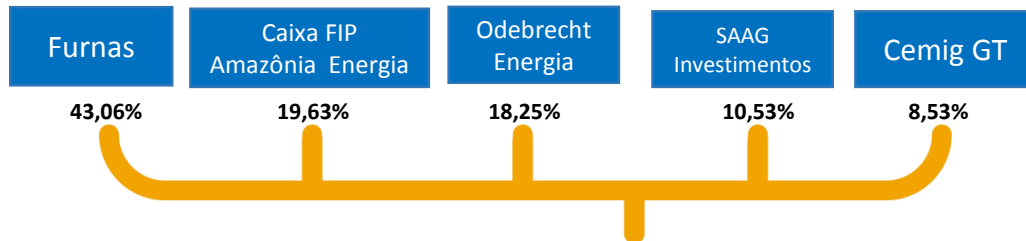
FitchRatings AAA(bra)

3,568 MW installed capacity

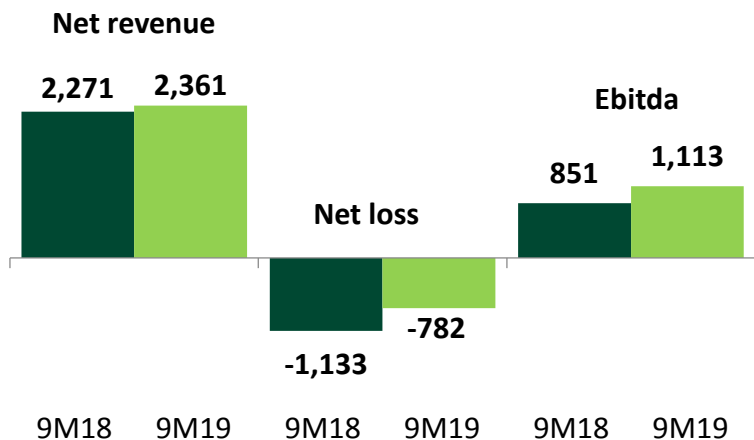
2,424 MW avg Assured Energy

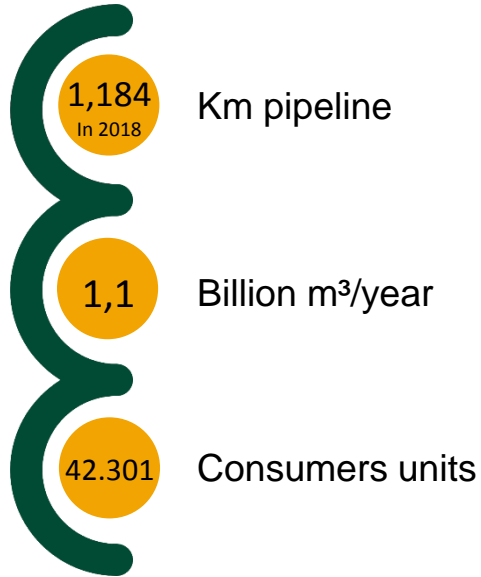
50 Generator units – bulb turbine

20 R\$ billion – Capex



🎯 Power Generation





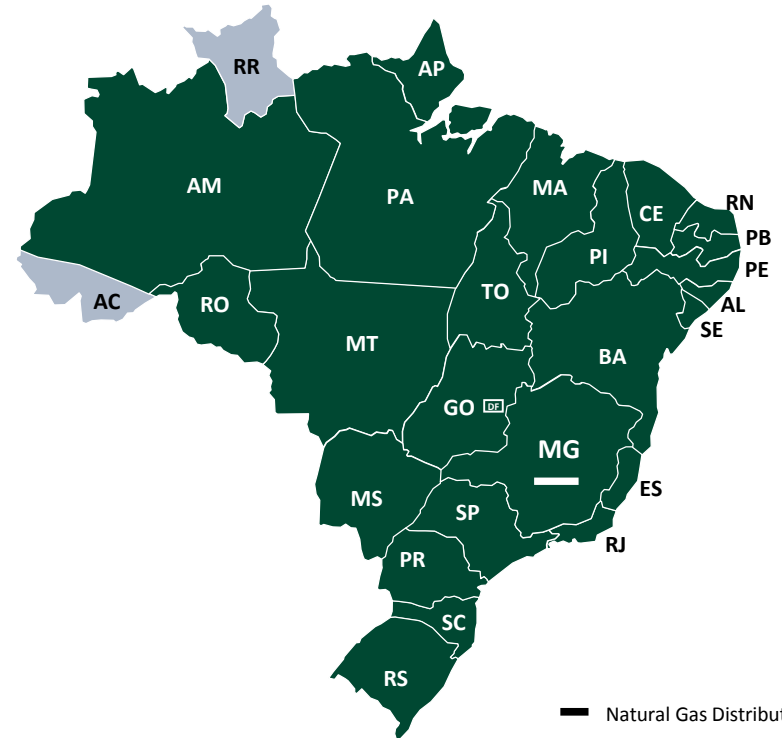
CEMIG

Municipality of Belo Horizonte

99.57%

0.43%

GA/MIG

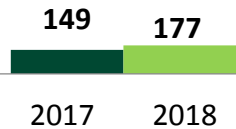


— Natural Gas Distribution

Net revenue



Net profit



Ebitda

