



# 2020

## 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

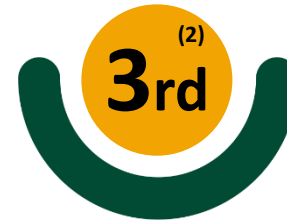
**Integrated Power  
Utility in Brazil**



**Market share in the  
free market**



**Market Cap  
US\$2.84B <sup>(1)</sup>**



**EBITDA 2019  
US\$1.01 B <sup>(3)</sup>**

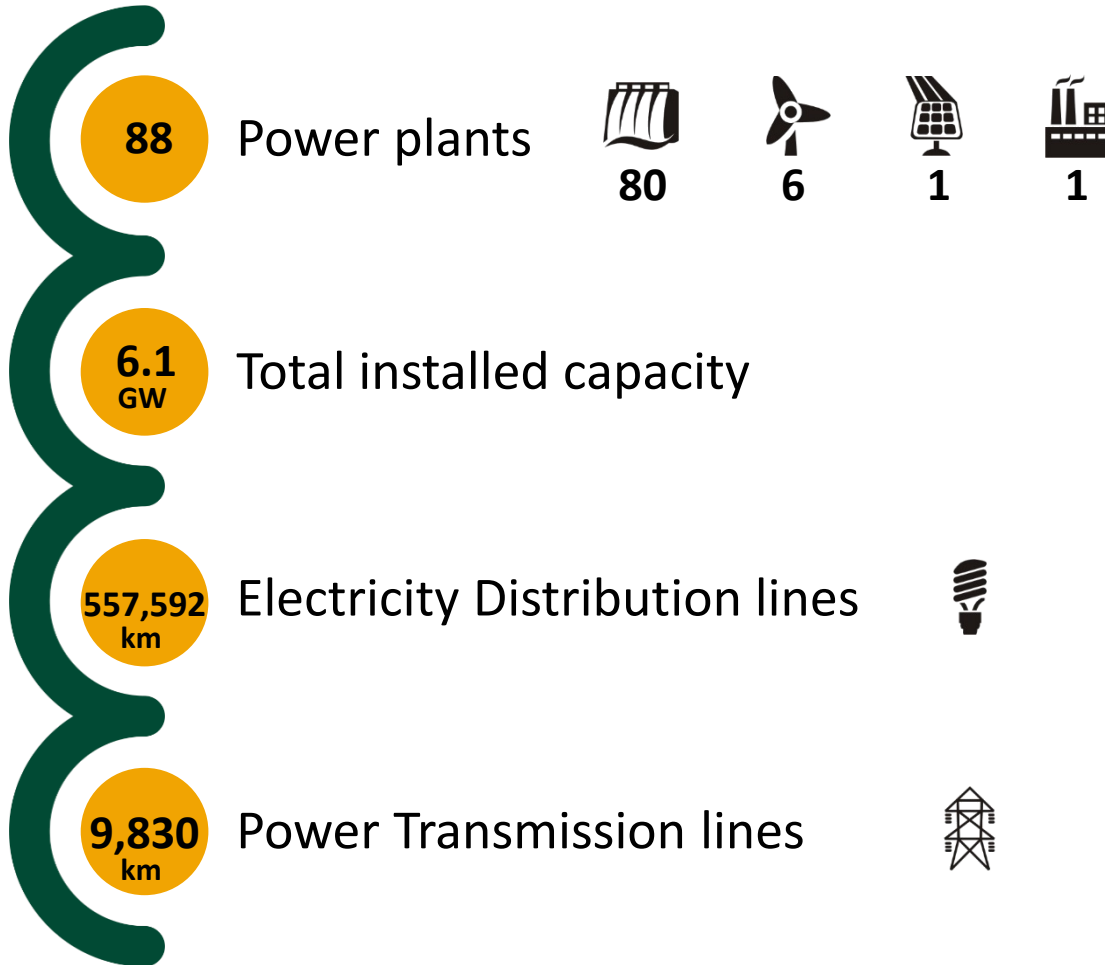
In the Power Industry since **1952**

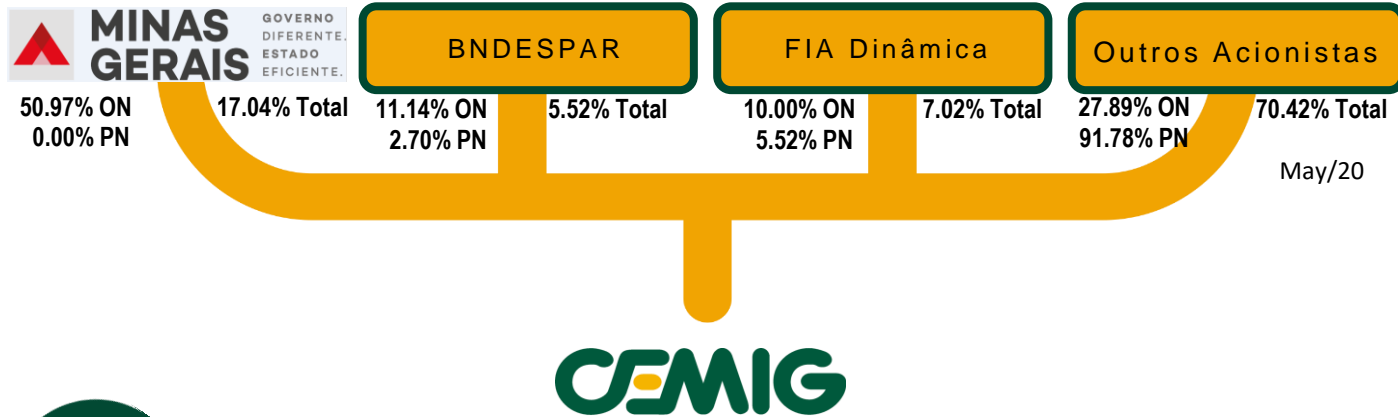
LEADER

(1) As of May 26<sup>th</sup>, 2020

(2) In the Brazilian Energy Industry

(3) FX R\$/US\$4,0307 on December 31<sup>st</sup>, 2019





**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 150,000 shareholders in more than 39 countries
- Average daily trading volume in 2019

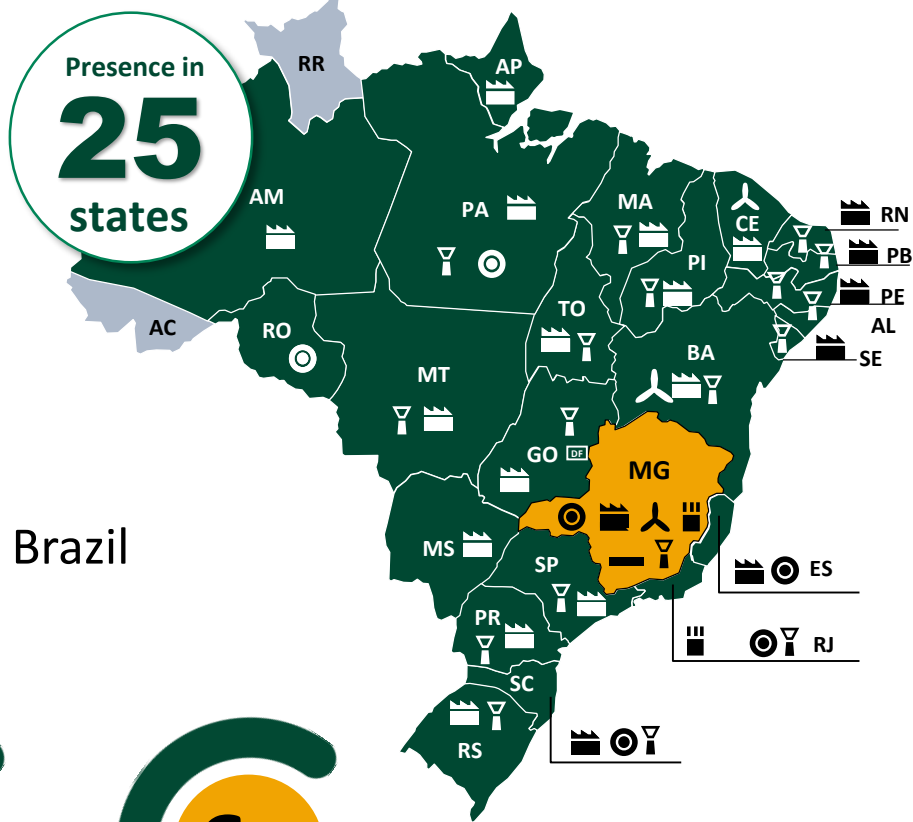
**R\$162.3M in Bovespa and US\$12.7M in NYSE**



**3** Solid dividend policy

# #1

## Integrated Power Utility in Brazil



Electricity Distributor



Largest Power Transmission Group



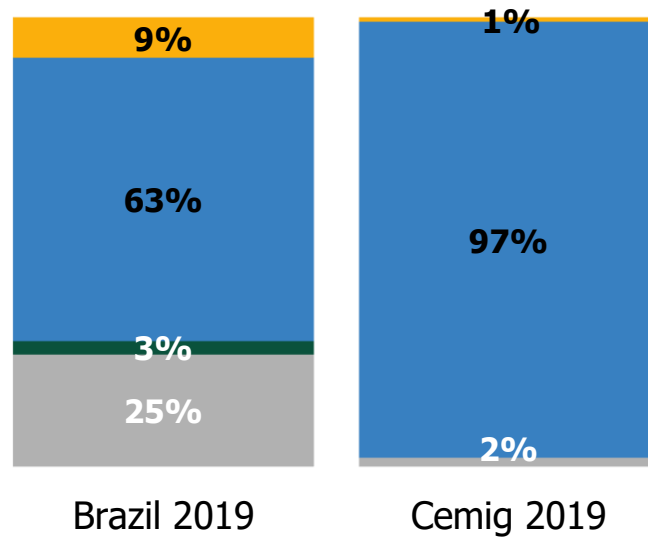
Largest Power Generation Group

- 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 – January, 2020

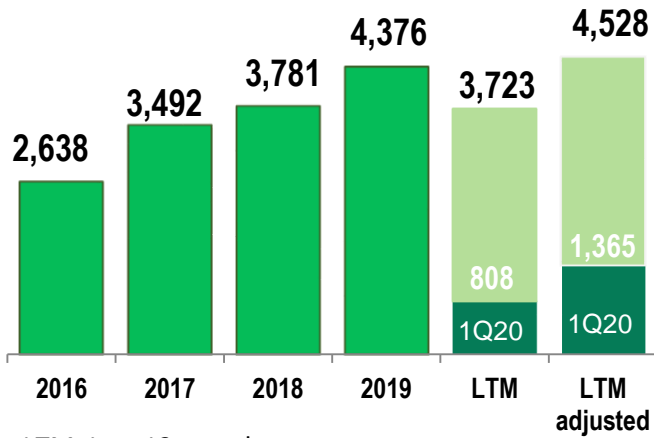
## Power Generation by Source



■ Fossil Source Fuels   ■ Nuclear   ■ Hydro   ■ Others

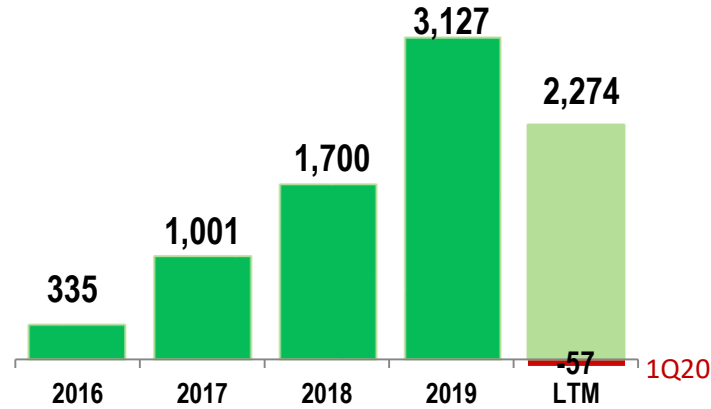
RENEWABLE LEADER

### Ebitda



LTM: Last 12 months

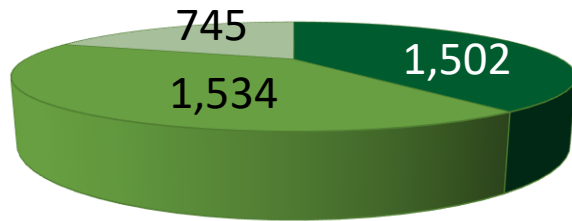
### Net Income



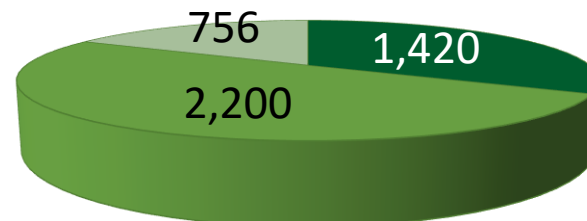
### Breakdown of Ebitda

Diversified, Low Risk Business Portfolio

2018



2019



■ 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>

## Dividends' proposal to be paid in 2020:

- Total to be distributed of the 2019 net profit : R\$764 million
- R\$400 million to be paid as Interest on Equity
  - in two equal installments, by end-June and end-December 2020
  - record date: December 23, 2019
- R\$364 million as dividends to be paid by December 30, 2020
  - to stockholders of record on date of the AGM

Dividend yield of 3.8%(1)



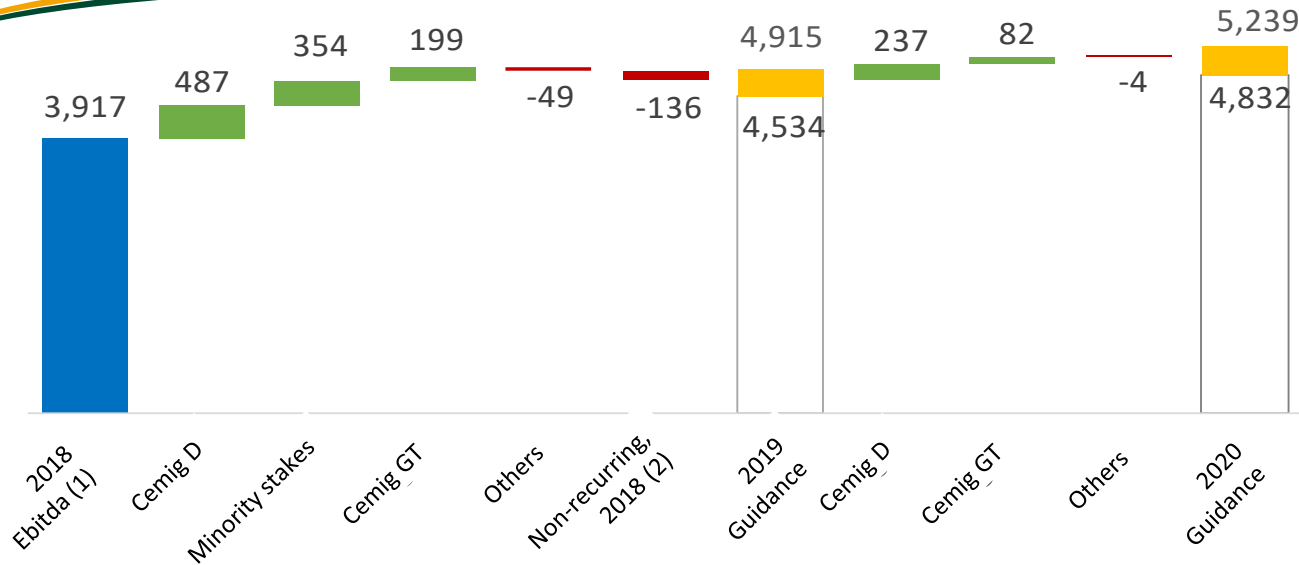
2.28x Net debt to Ebitda – 1Q20

51% Debt in foreign currency\* - 1Q20

2.4 R\$ billion Cash on hand – 1Q20

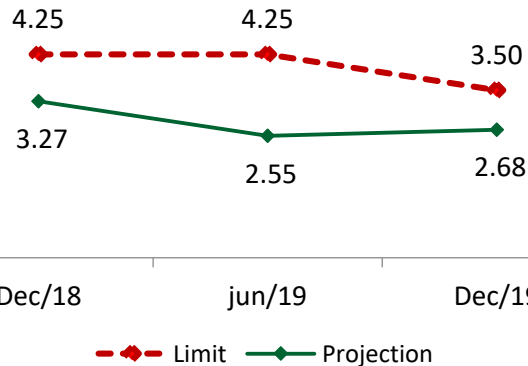
25.4 R\$ billion Net Revenue – 2019

STABILITY

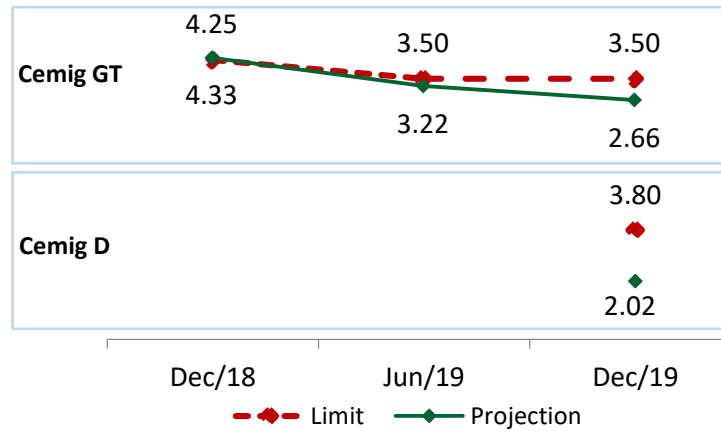


- (1) 2018 Ebitda (3,781) updated to June 2019 R\$.
- (2) Light, LightGer, Santo Antônio, Telecom, Wind farms (Parajuru and Volta do Rio), generation indemnity and Quotas revenue.
- (3) Calculation excludes cashflow from sale of Light.

**Net debt/Ebitda – Eurobond**



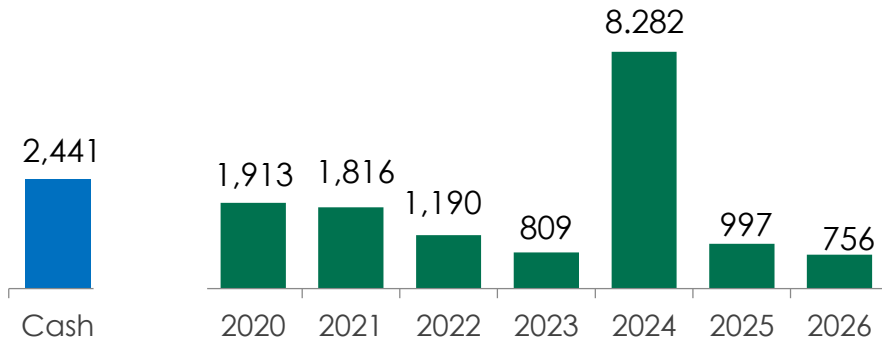
**Net debt/Ebitda Debentures – 7th Issue**



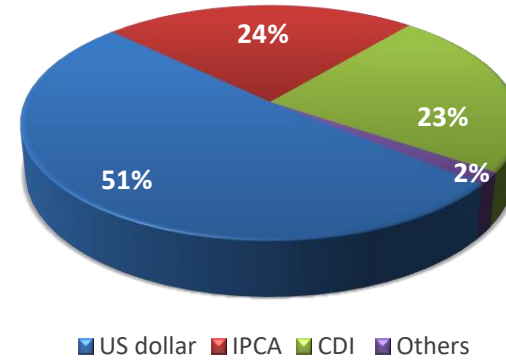
PROJECTION

### Maturities timetable – Average tenor: 3.9 years

Net debt (Debt – Cash and securities): R\$ 13.3 billion.  
 Total net debt (Net debt – Hedge): R\$ 10.3 billion.

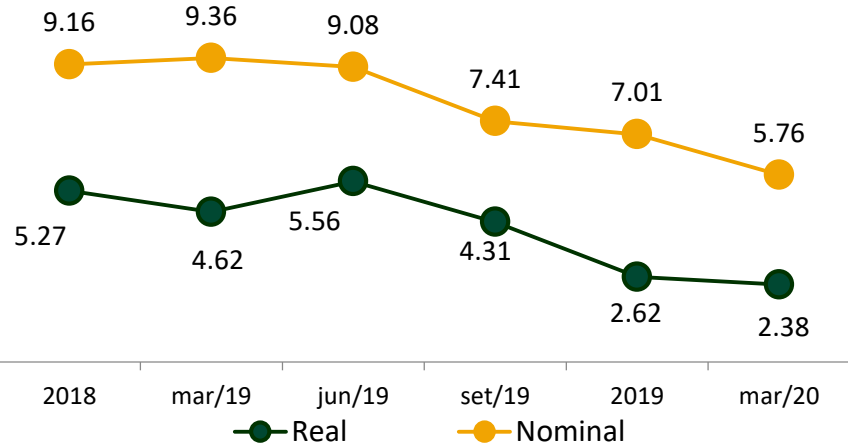


### Main indexors

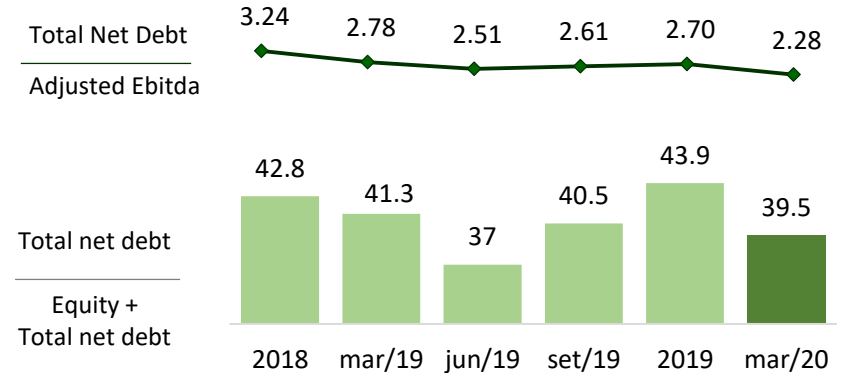


□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

### Cost of debt – %



### Leverage – %

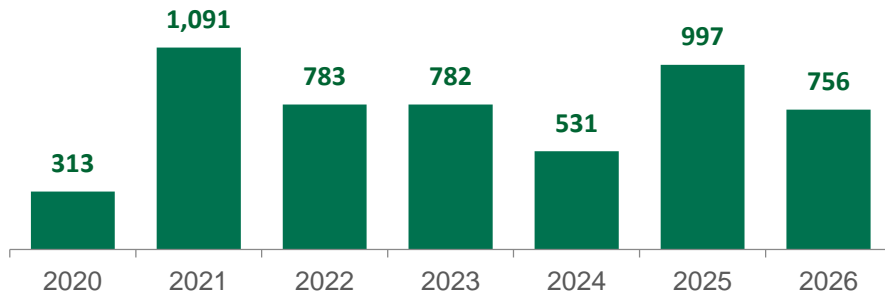


\* Adjusted Ebitda

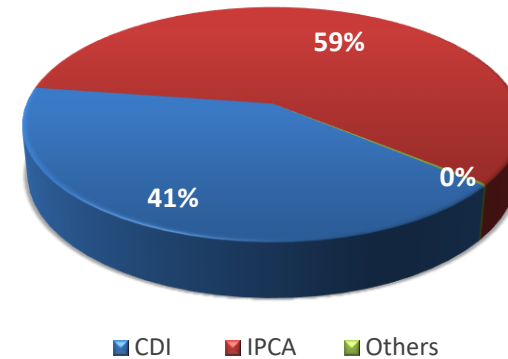
R\$ million

Maturities timetable – Average tenor: 4.0 years

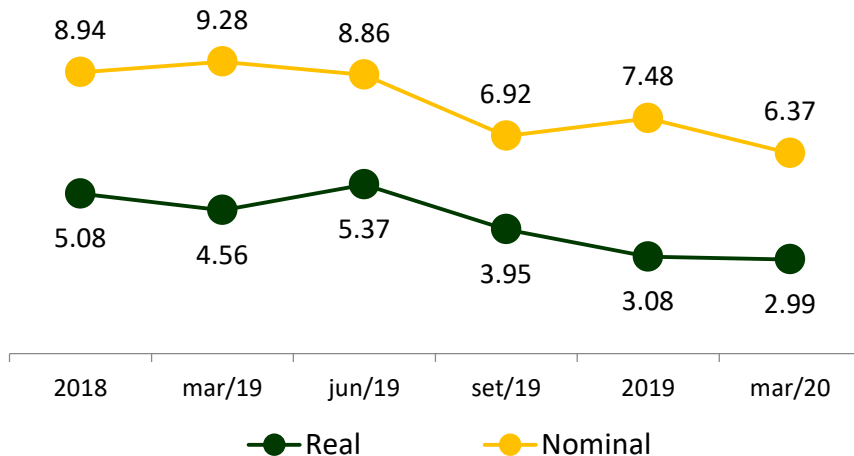
Net debt : R\$4.03 billion



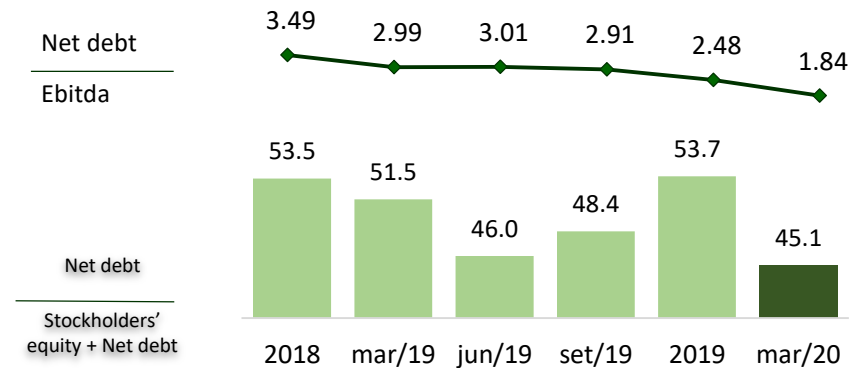
Main indexors



Cost of debt – %

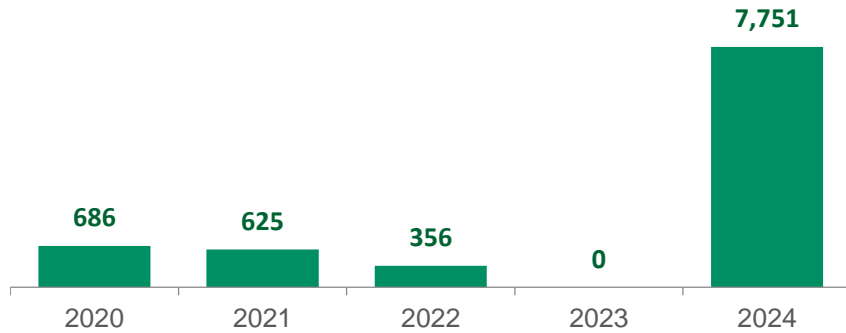


Leverage – %

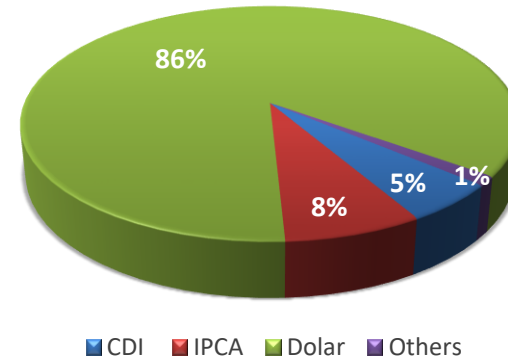


### Maturities timetable – Average tenor: 4.2 years

Net debt (Debt – Cash and securities): R\$ 8.6 billion.  
 Total net debt (Net debt – Hedge): R\$ 5.6 billion.

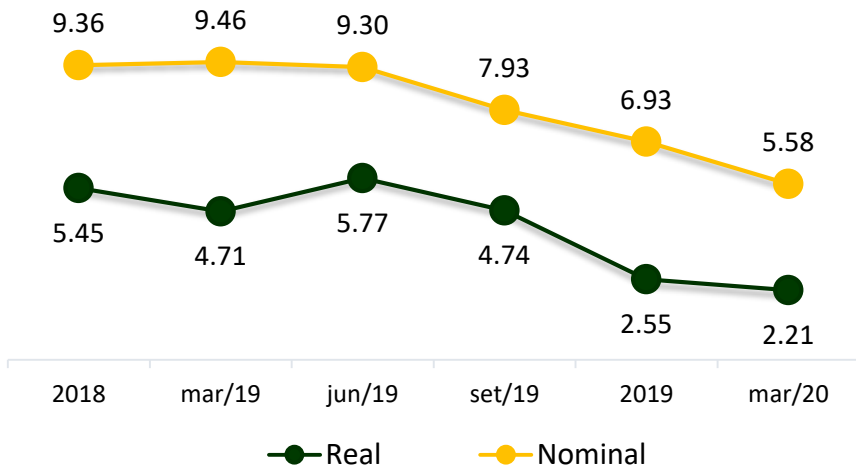


### Main indexors

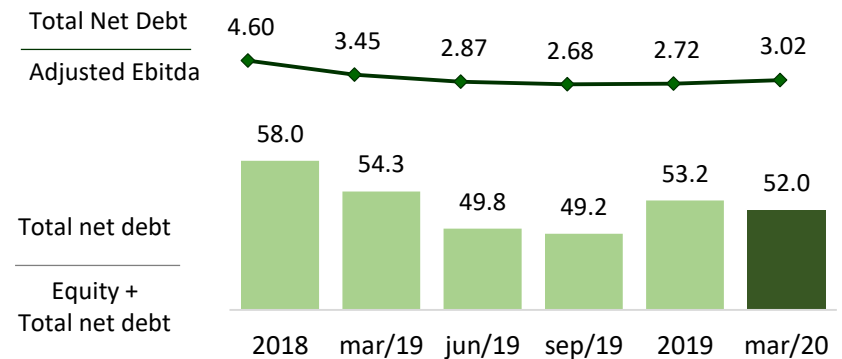


□ Debt in Dollar converted into CDI percentage per hedging instrument, within a band of Exchange variation

### Cost of debt – %



### Leverage – %



\* Adjusted Ebitda



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

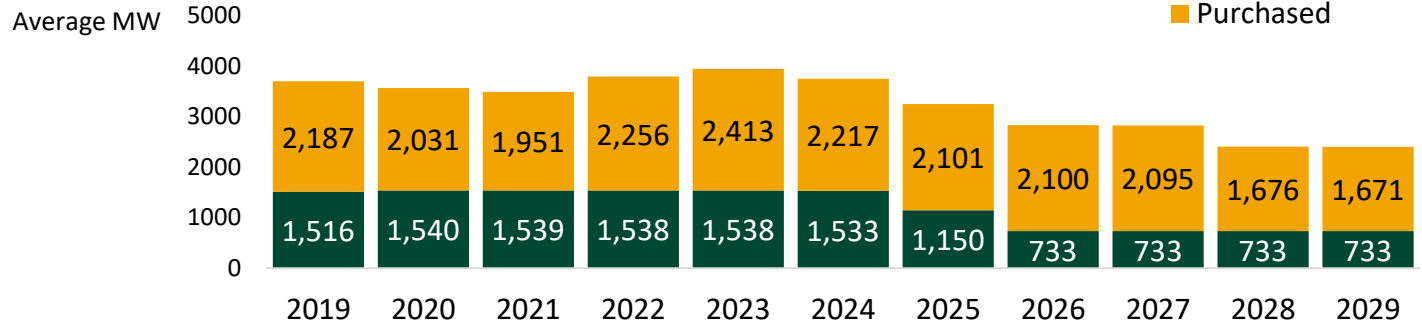
Regulatory asset base (RAB)	2013	2018
Remuneration Base – gross R\$	15,724	20,490
Remuneration Base – net R\$	5,849	8,906
Average depreciation rate	3.84 %	3.84%
WACC	7.51%	8.09%
Remuneration of the special obligations	-	149
CAIMI R\$	147	333
QRR R\$ - Depreciation (Gross RAB x Dep rate)	590	787
Remuneration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

Currency – April/2018



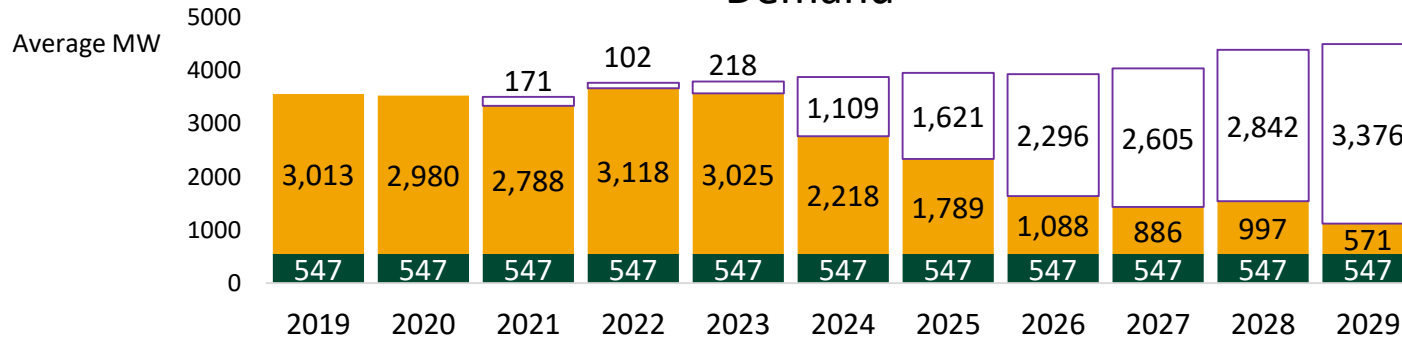
Position in May, 2020

## Supply



Total Supply	3,644	3,571	3,490	3,793	3,951	3,750	3,250	2,834	2,828	2,410	2,405
Current Balance	<b>137</b>	<b>44</b>	<b>155</b>	<b>128</b>	<b>378</b>	<b>984</b>	<b>914</b>	<b>1,198</b>	<b>1,395</b>	<b>865</b>	<b>1,287</b>
Total Demand	3,507	3,527	3,335	3,665	3,572	2,765	2,336	1,635	1,433	1,544	1,118

## Demand



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

POWER BALANCE



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



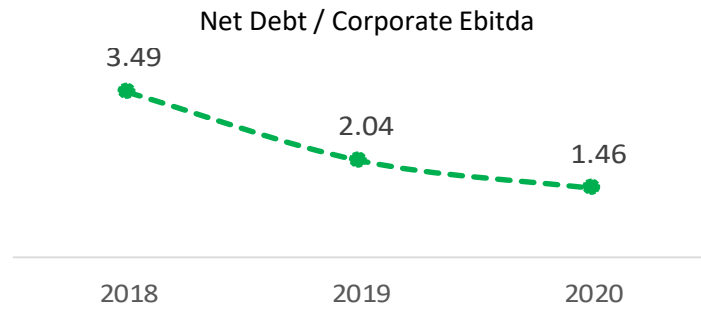
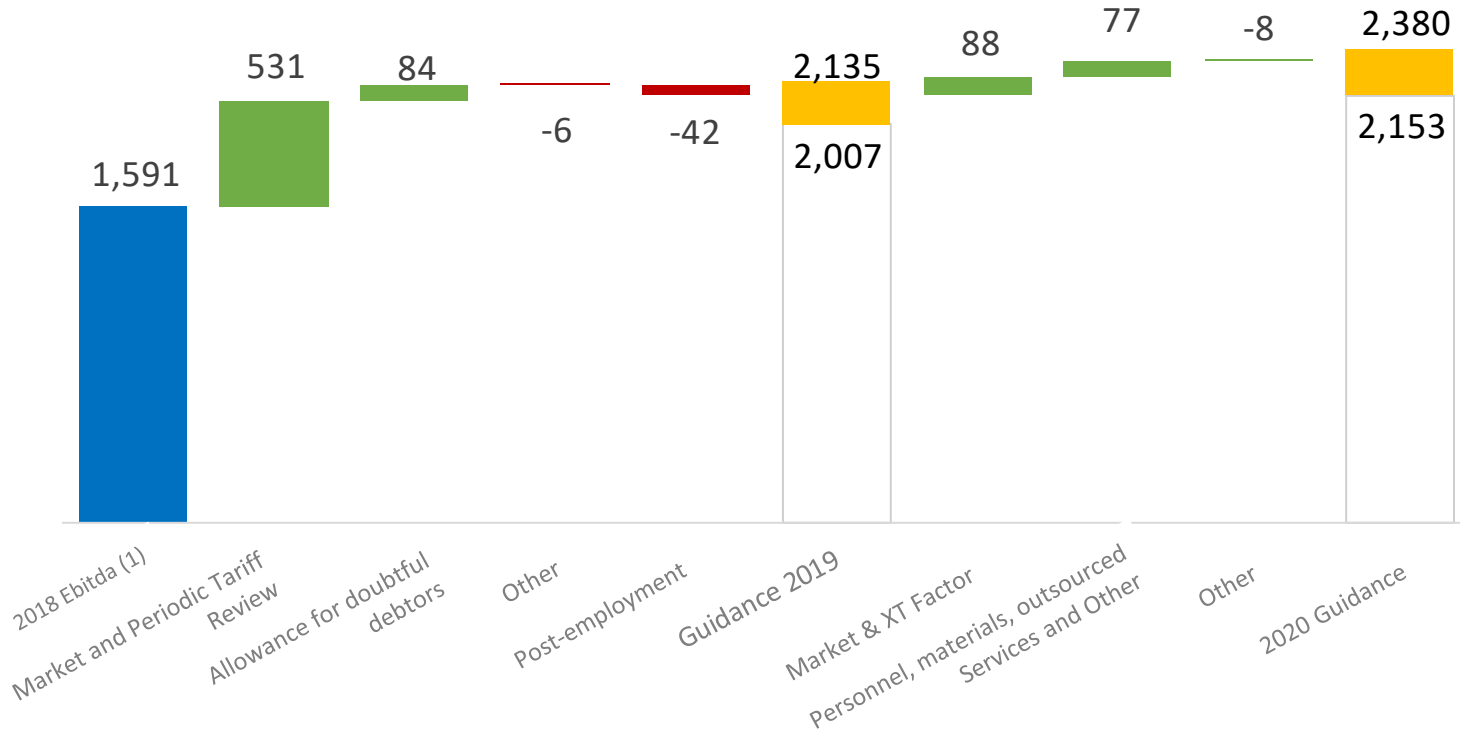
# CEMIG

## Investor Relations

Tel: +55 (31) 3506-5024

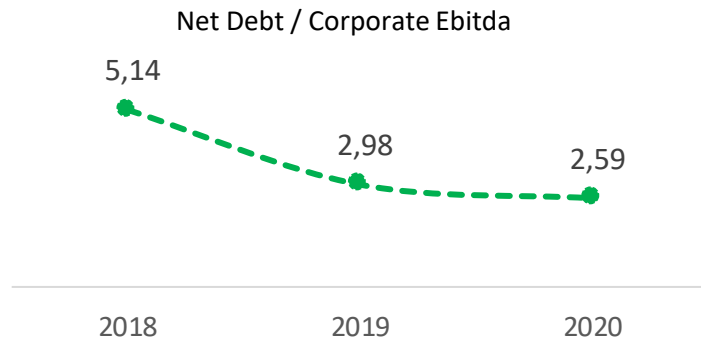
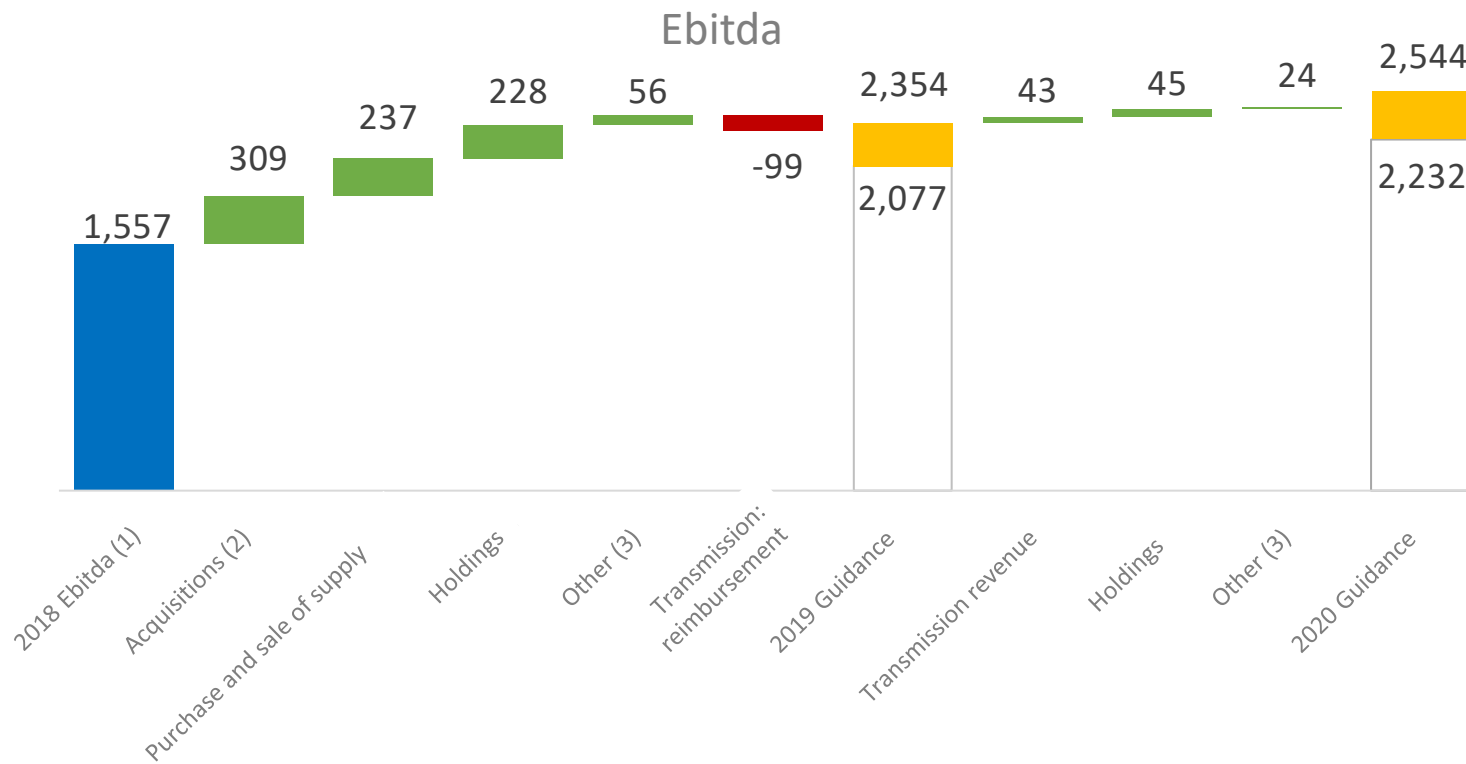
[ri@cemig.com.br](mailto:ri@cemig.com.br)

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



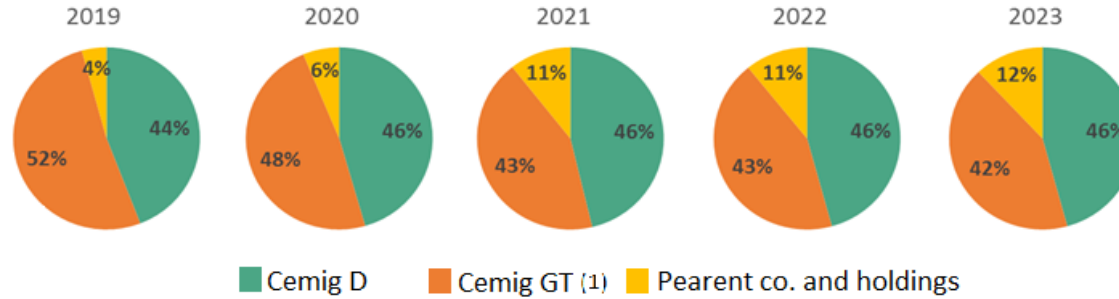
Guidance

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



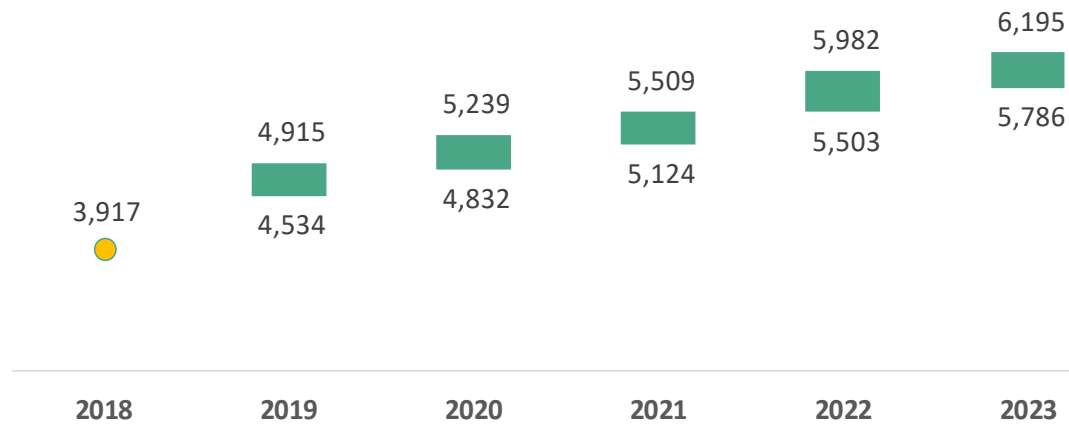
(1) 2018 adjusted Ebitda (1,517) adjusted to June 2019 R\$.  
 (2) Parajuru, Volta do Rio and wholly-owned subsidiaries of the Cemig parent company.  
 (3) Includes PMSO, PDV, other revenues and expenses and non-recurring items.

## 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

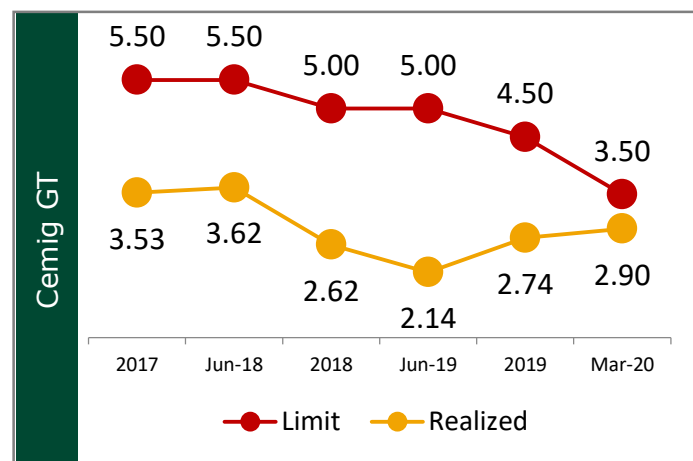
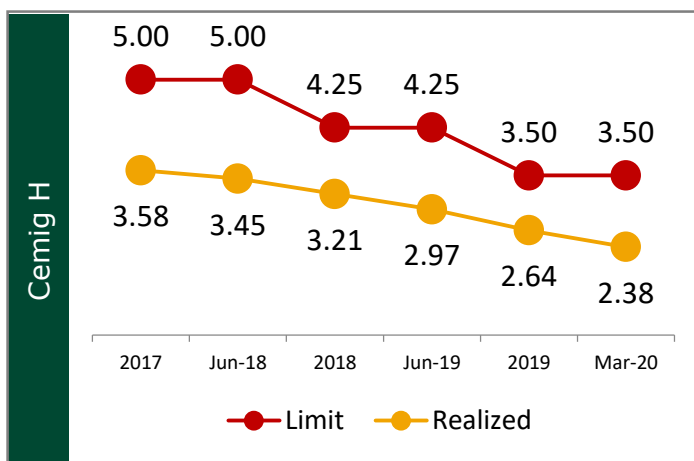
Last 12 months	Mar. 31, 2020	
R\$ mn	GT	H
<b>Net income (loss)</b>	<b>248</b>	<b>2,273</b>
Financial results net	390	-735
Income tax and social contribution	337	1,130
Depreciation and amortization	221	970
<b>minority interest result</b>	<b>114</b>	<b>-140</b>
provisions for the variation in value of put option obligations	73	73
non-operating result (which includes any gains on asset sales and any asset write-off or impairments)	70	91
any non-cash expenses and non-cash charges, to the extent that they are nonrecurring	1074	2,613
any non-cash credits and gains increasing net income, to the extent that they are non-recurring	-414	-1,480
non-cash revenues related to transmission and generation indemnification	-179	-179
cash dividends received from minority investments (as measured in the statement of cash flows)	133	283
monetary updating of concession grant fees	-337	-337
cash inflows related to concession grant fees	261	261
cash inflows related to transmission revenue for cost of capital coverage	183	183
<b>Covenant EBITDA</b>	<b>2,174</b>	<b>5,006</b>

<b>12 months</b>	<b>Mar. 31, 2020</b>	
<b>R\$ mn</b>	<b>GT</b>	<b>H</b>
Consolidated Indebtedness	9,418	15,762
Derivative financial instruments	-3,005	-3,005
Debt contracts with Forluz	248	1,097
The carrying liability of any put option obligation, less	504	504
Consolidated cash and cash equivalents and consolidated marketable securities recorded as current assets.	-857	-2,441
<b>Covenant Net Debt</b>	<b>6,308</b>	<b>11,917</b>
<b>Covenant Net Debt to Covenant EBITDA Ratio</b>	<b>2.90</b>	<b>2.38</b>
Limit Covenant Net Debt to Covenant EBITDA Ratio	4.50	3.50
Total Secured Debt (reais)		848
Total Secured Debt to Covenant EBITDA Ratio		0.67
Limit Covenant Net Debt to Covenant EBITDA Ratio		1.75

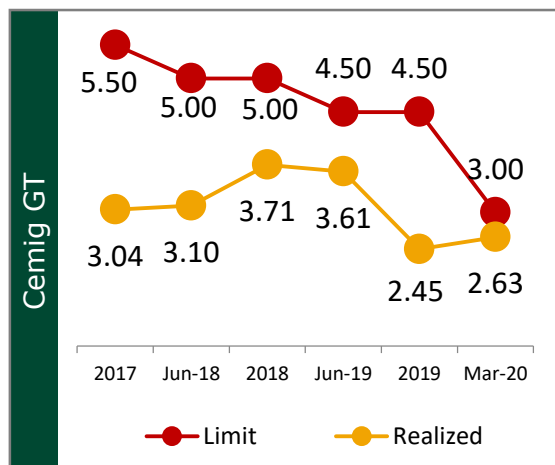
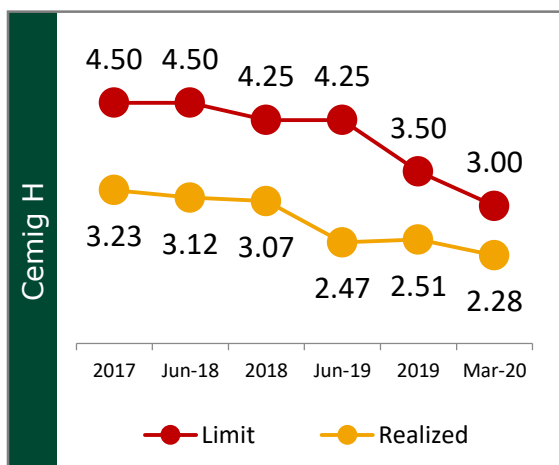


# Net debt/Ebitda

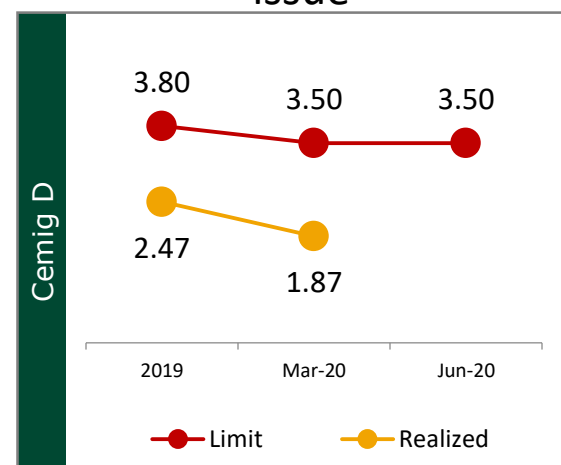
## Eurobonds' Covenant - (LTM – Last twelve months)

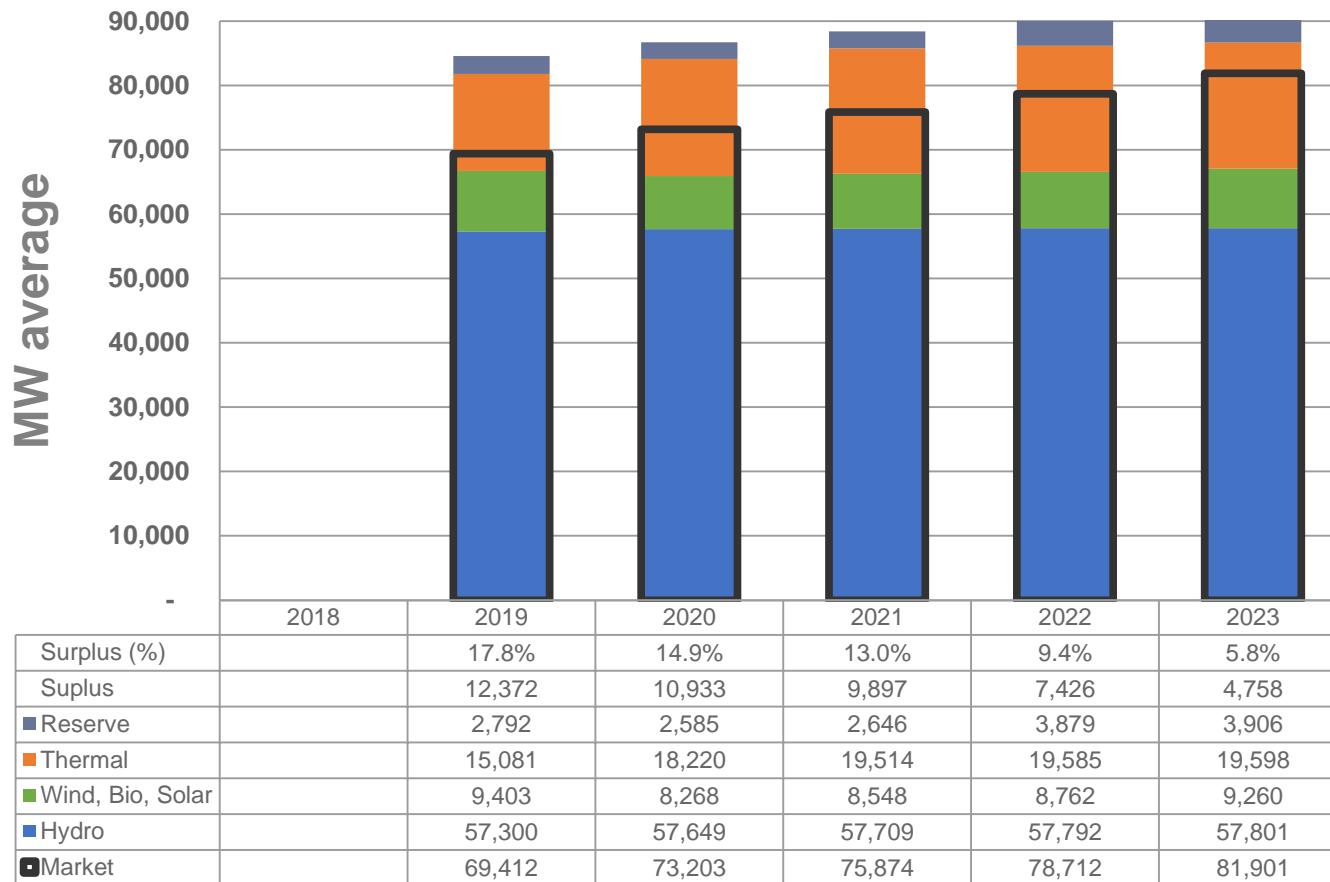


## Cemig GT - 7<sup>th</sup> debenture issue



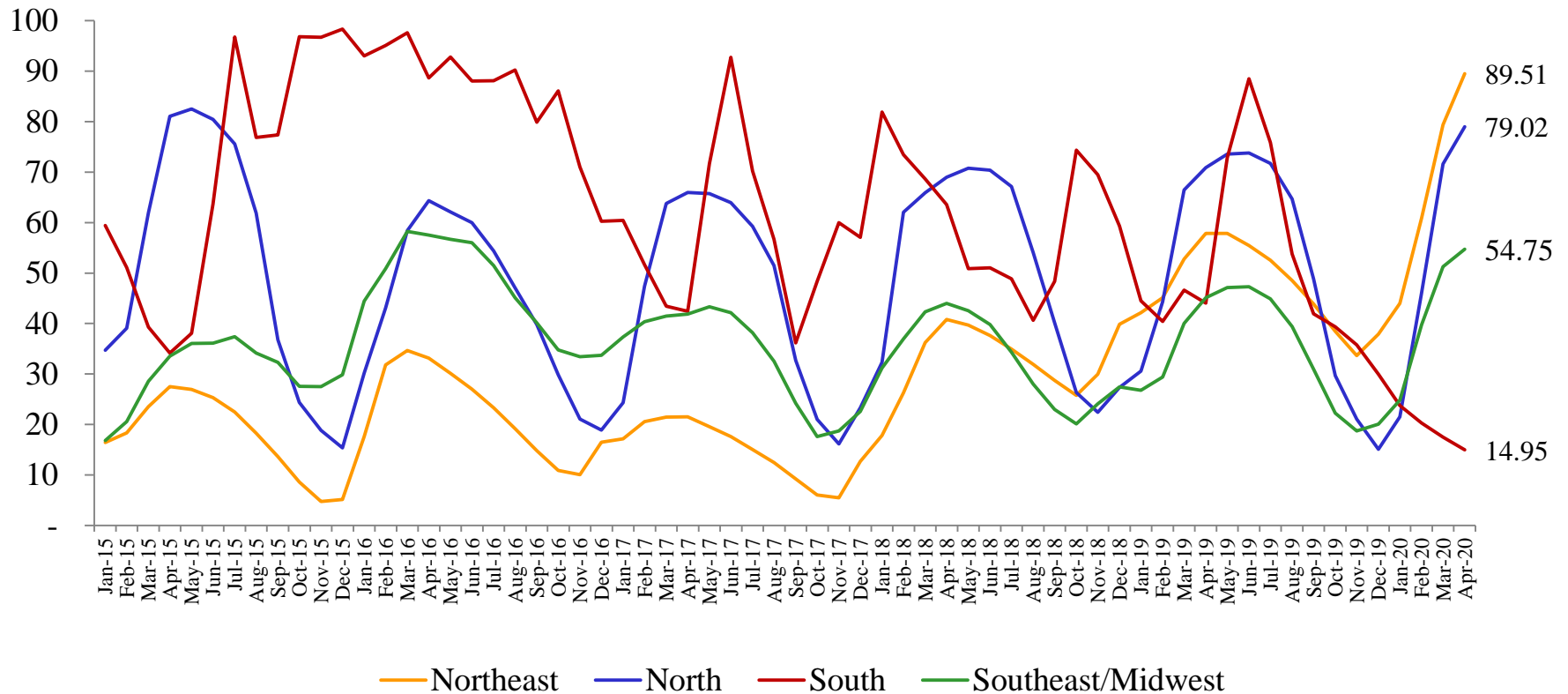
## Cemig D - 7<sup>th</sup> debenture issue





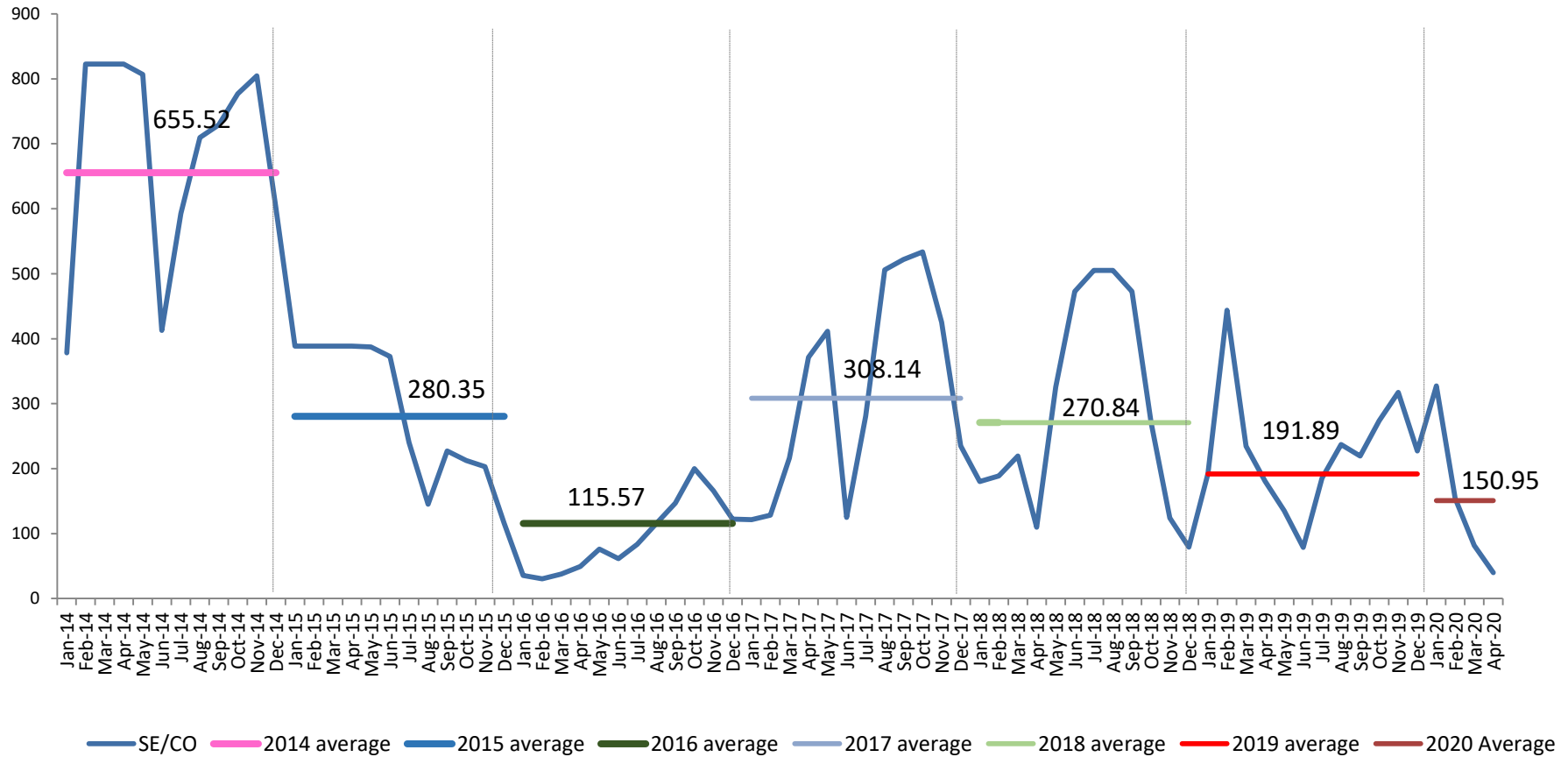
Source: May 2019 monthly operational survey (PMO).

by region (%)\*

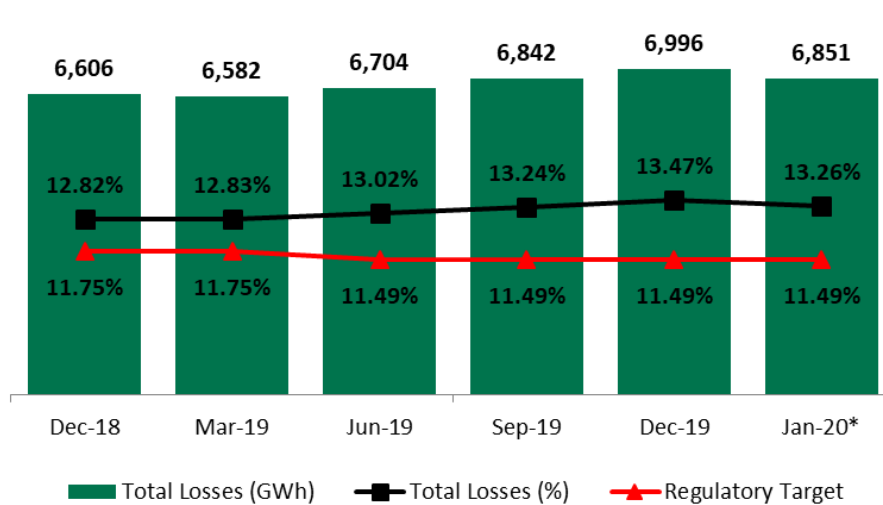


\*Source: ONS

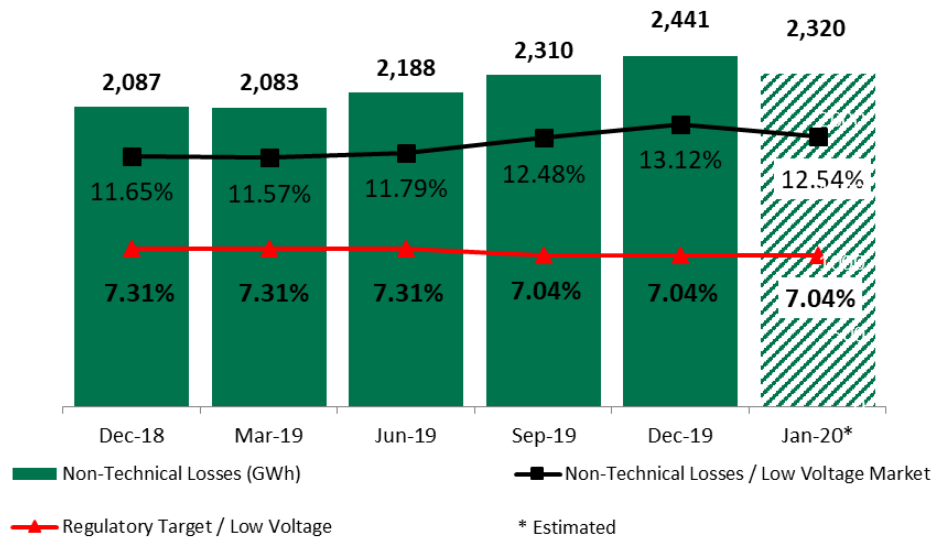
Brazil: eletricity spot price – monthly average (R\$/MWh)

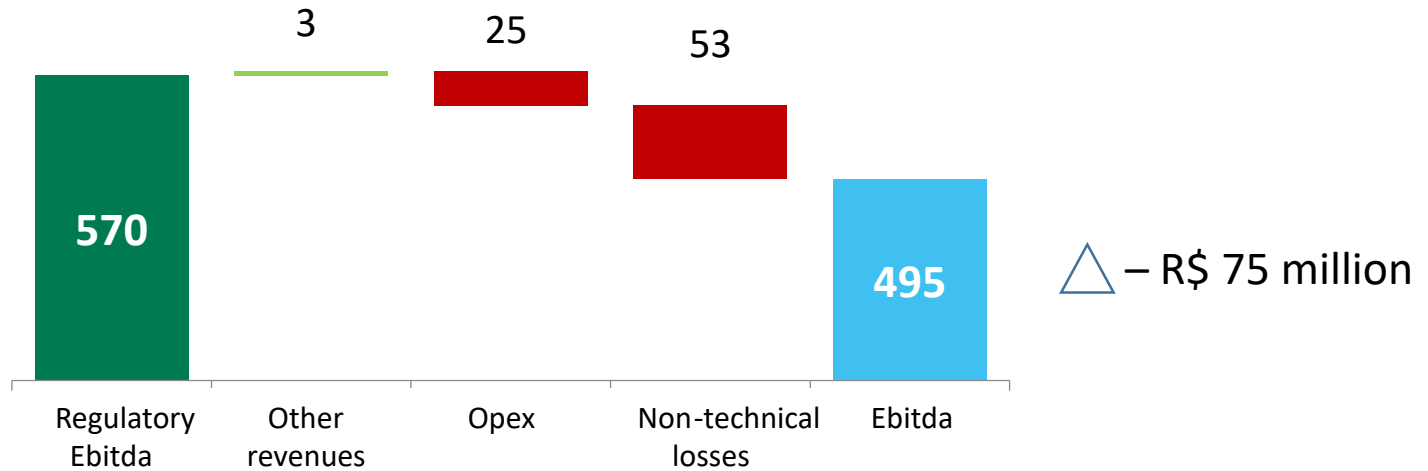
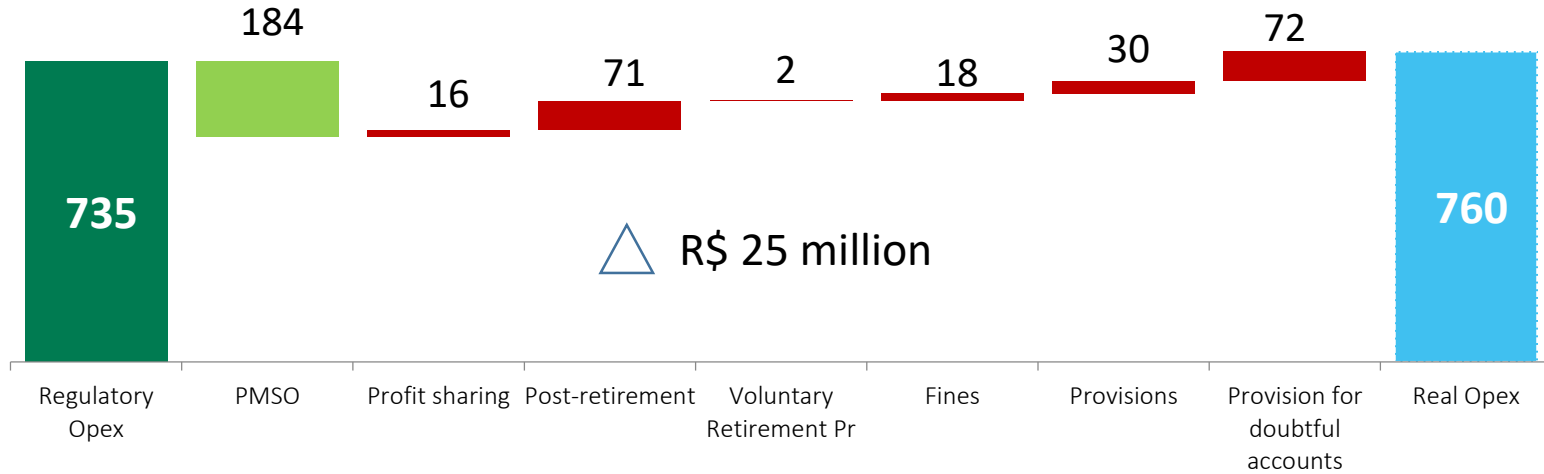


## Total Losses / Total Load



## Non-technical losses/Total Low voltage market





Average daily trading volume in 2019

**BOVESPA:** R\$162.3 million

**NYSE:** US\$12.7 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 (2019)**  
XCMIG  
€ 1.3 million

**NYSE (2019)**  
CIG US\$ 3.19 billion  
CIG.C US\$ 3.1 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 (2019)**  
CMIG4 R\$ 33.8 billion  
CMIG3 R\$ 6.5 billion

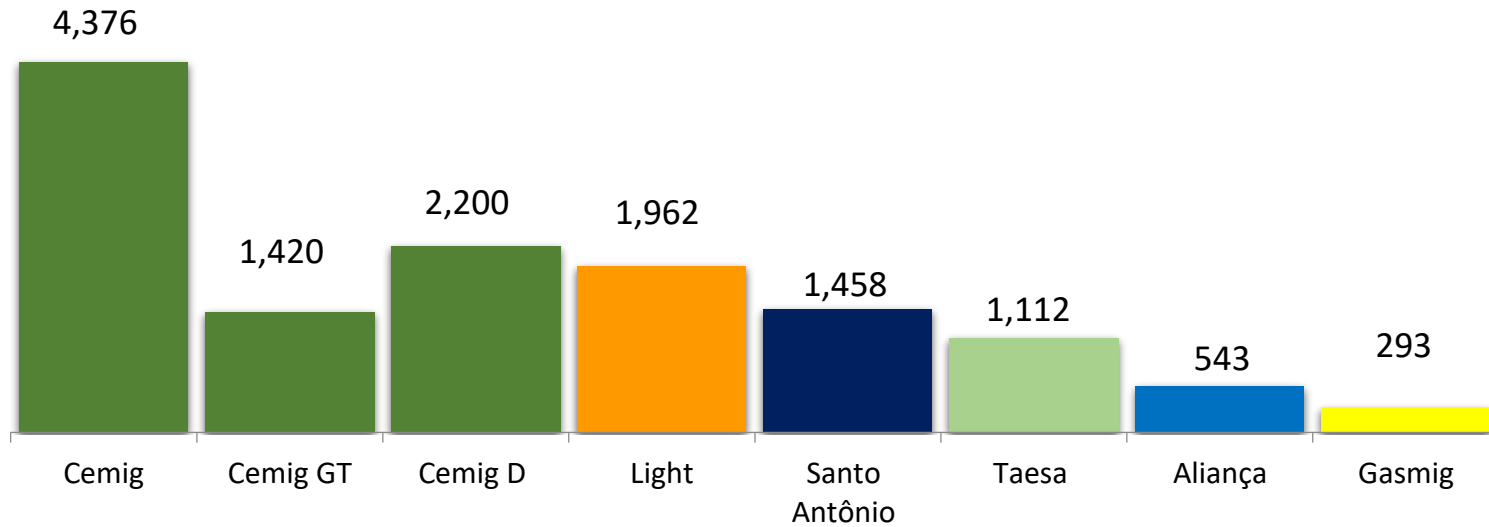
**Africa**

South Africa

**OCEANIA**

Australia  
New Zeland

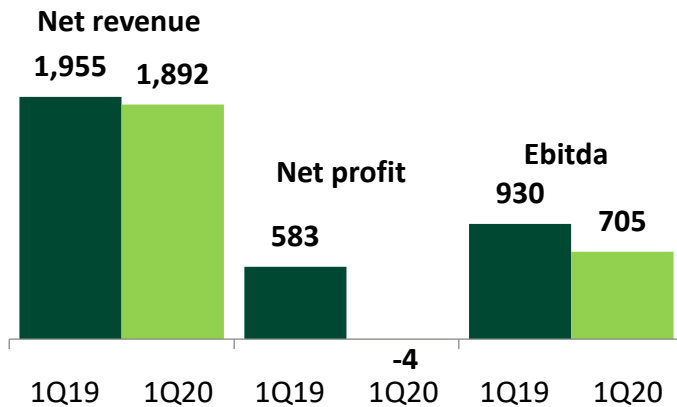
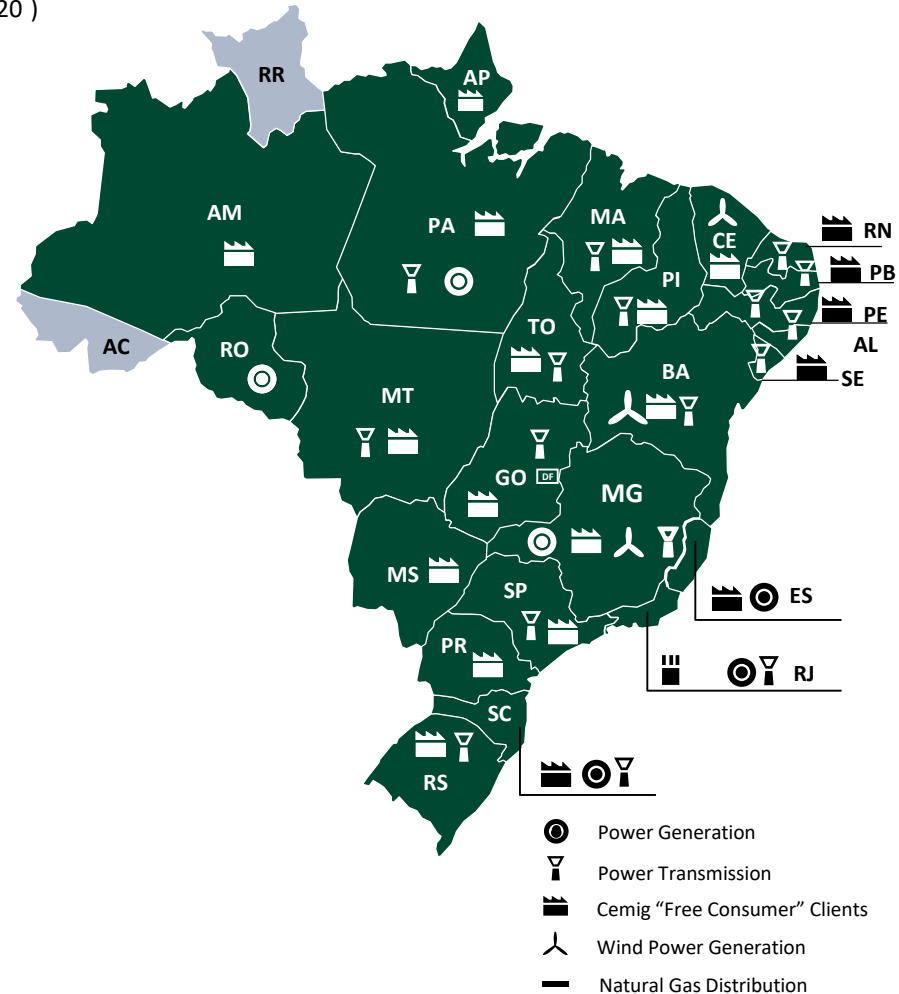
- Shares traded on 3 stock exchanges
- Over 150,000 stockholders in 40 countries



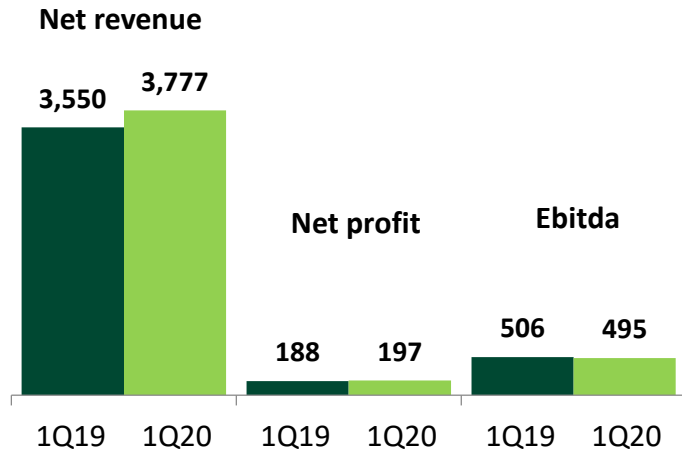
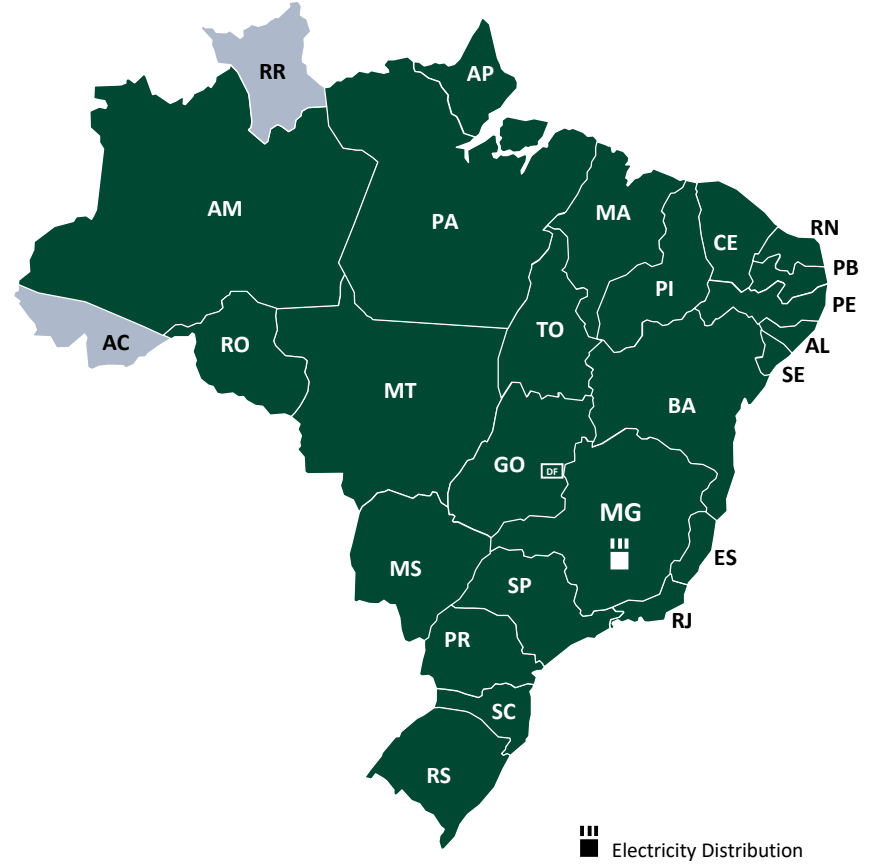
Companies	2019	% Cemig	Proportional
Cemig	4,376		
Cemig GT	1,420	100.00	1,420
Cemig D	2,200	100.00	2,200
Light	1,962	22.58	443
Santo Antônio	1,458	15.51	226
Taesa	1,112	21.68	241
Aliança	543	45.00	244
Gasmig	293	99.57	292



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



- 8.9 R\$ bn Net RAB - Regulatory Asset Base
- 539,807 Km in distribution lines
- 8.5 Number of consumers (million)



8.5 R\$ bn Net RAB - Regulatory Asset Base

1,024 MW installed capacity

648 MWavg Assured Energy

4.3 R\$ bn of market capitalization  
May, 28



CEMIG

22.6%

FIA Samambaia

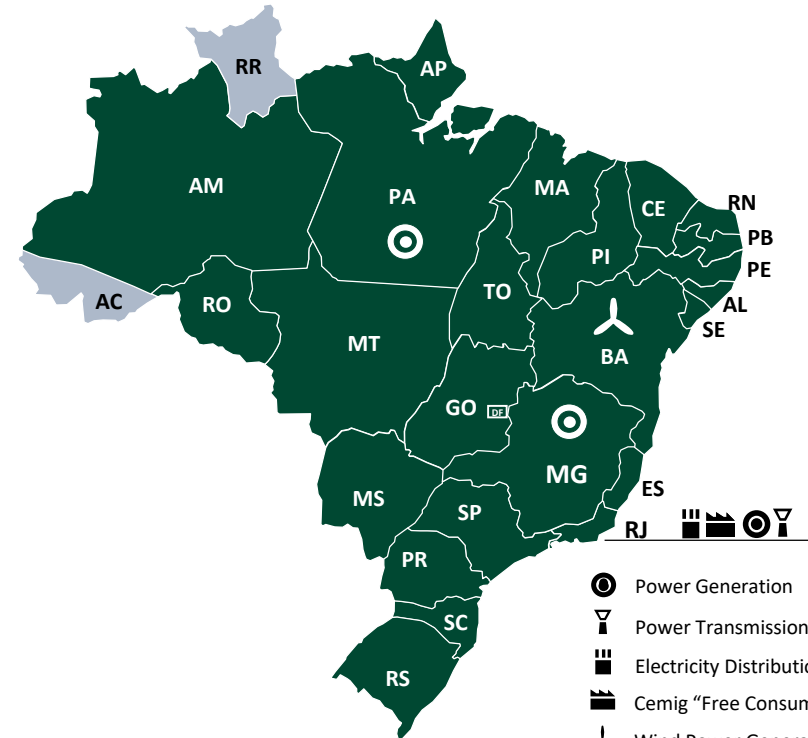
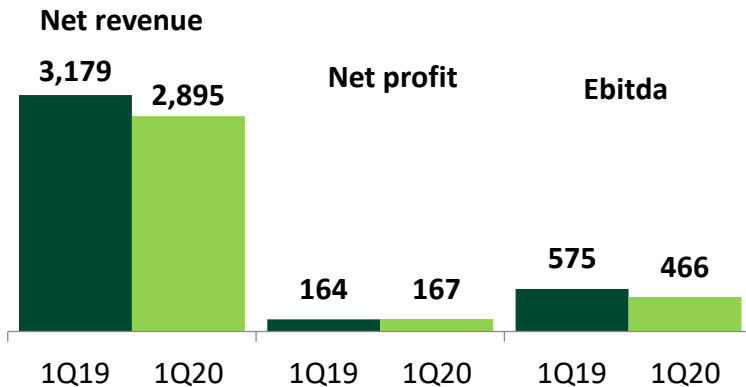
15.0%

Other Shareholders

62.4%



Light

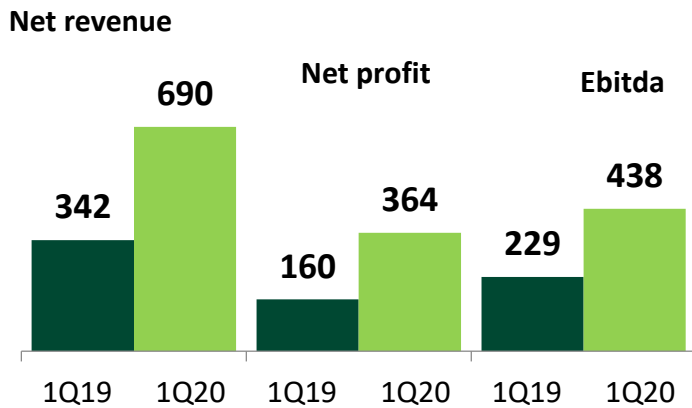
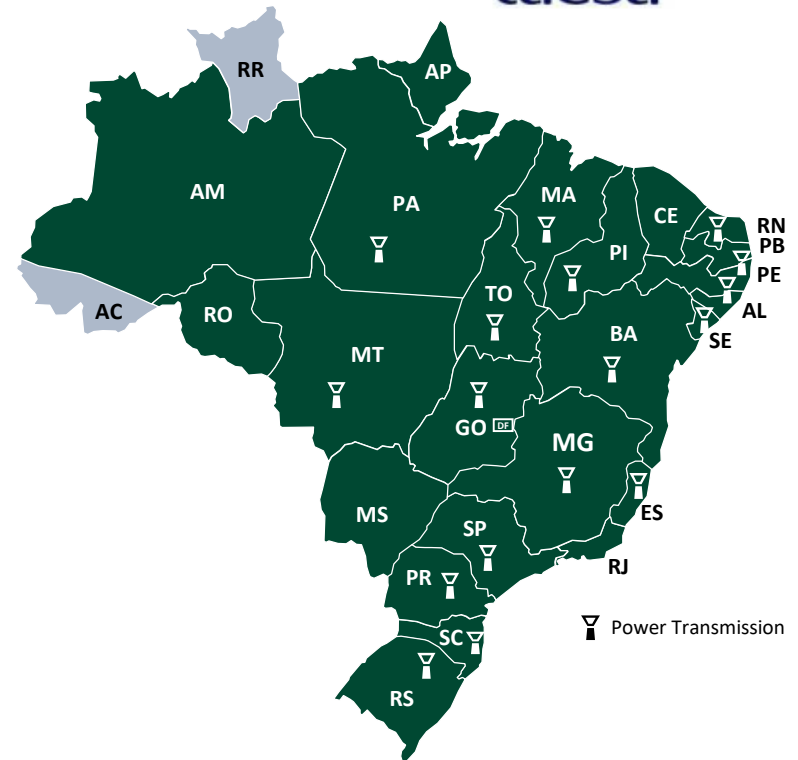
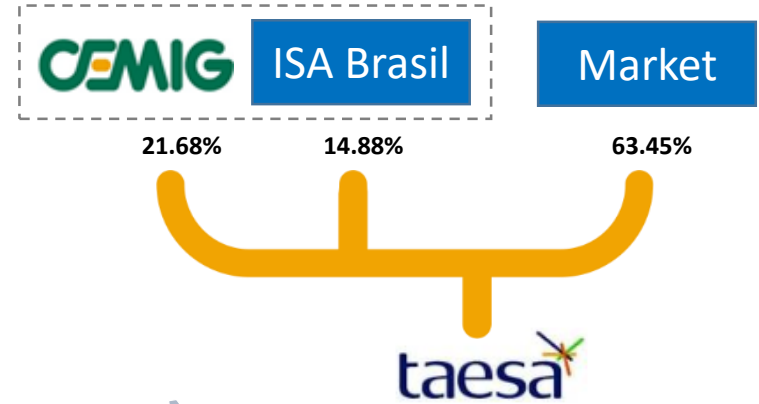


FitchRatings A+(bra)

AA+

STANDARD & POOR'S Baa1.br B1

- 2.73 R\$ bn RAP - Annual Permitted Revenues (2019/2020)
- 13,579 Km in transmission lines
- 9.8 R\$ bn of market capitalization  
May, 28



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

CEMIG

45%

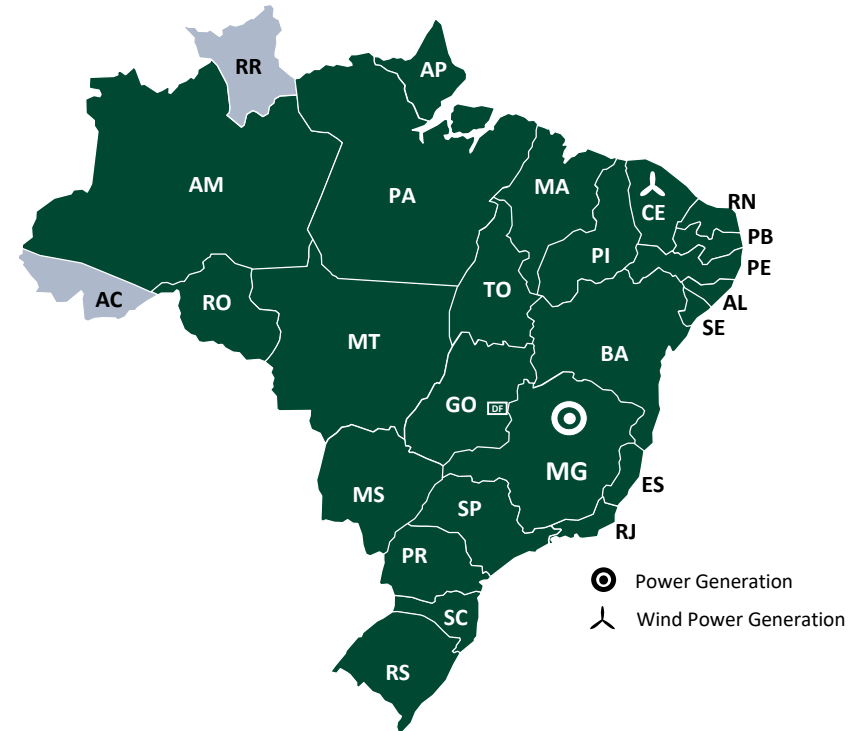
VALE

55%

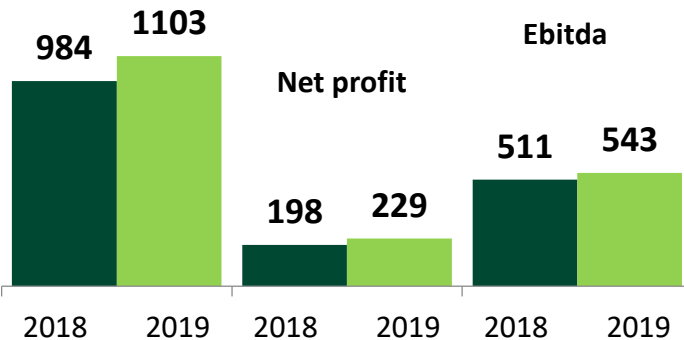


ALIANÇA

A nova geração da energia.



Net revenue



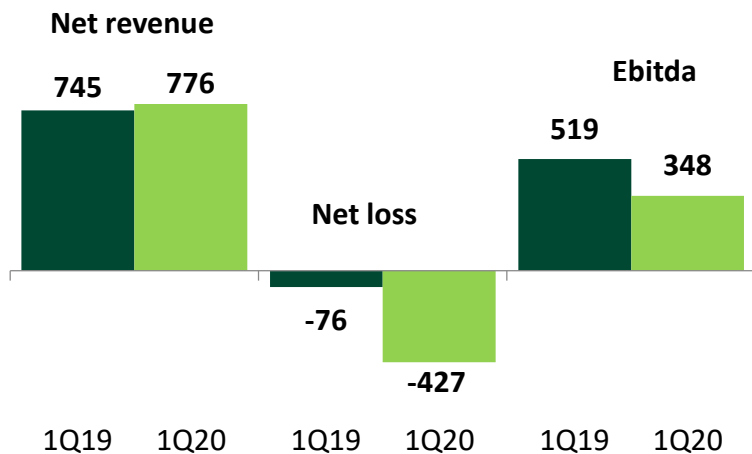
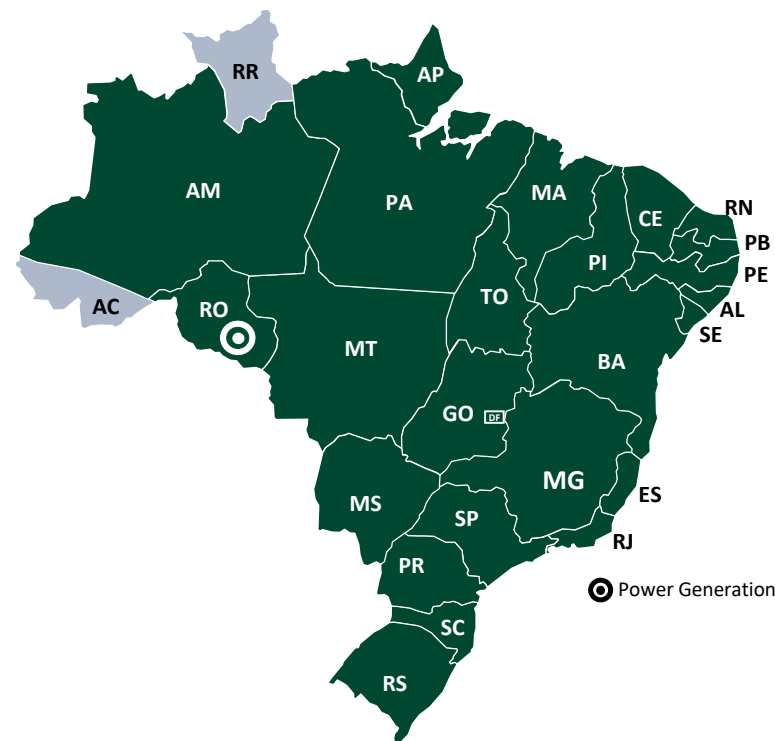
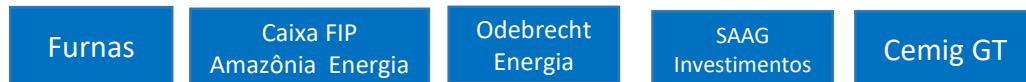
FitchRatings AAA(bra)

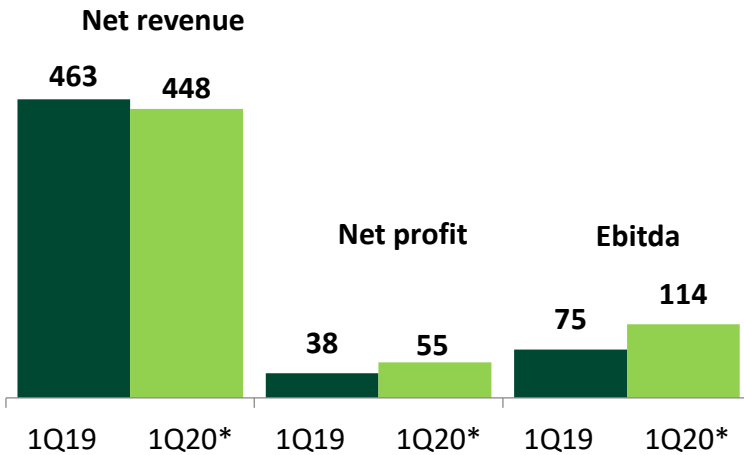
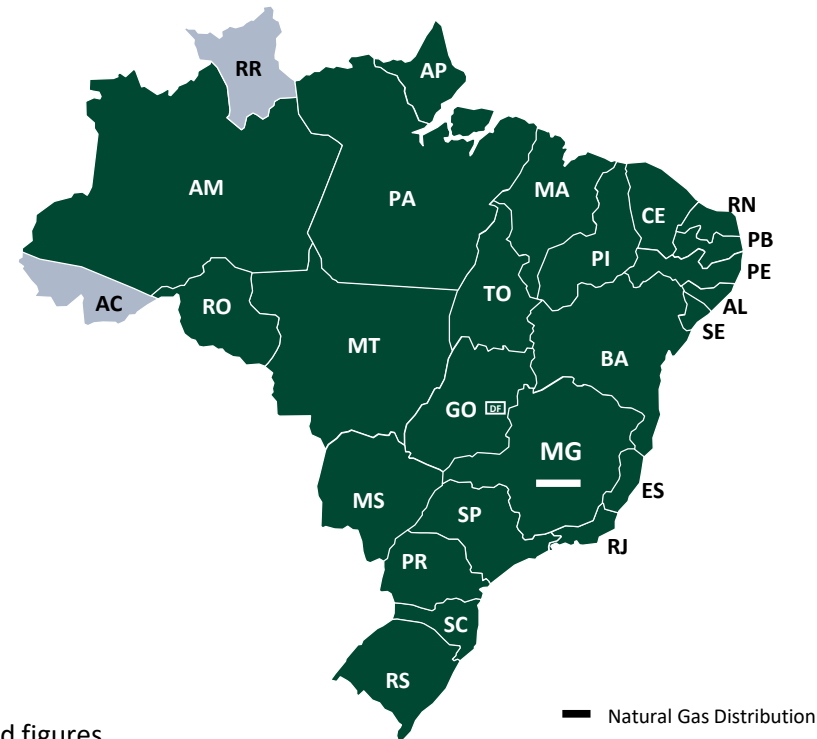
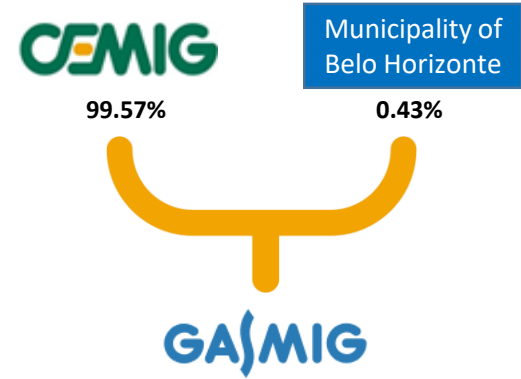
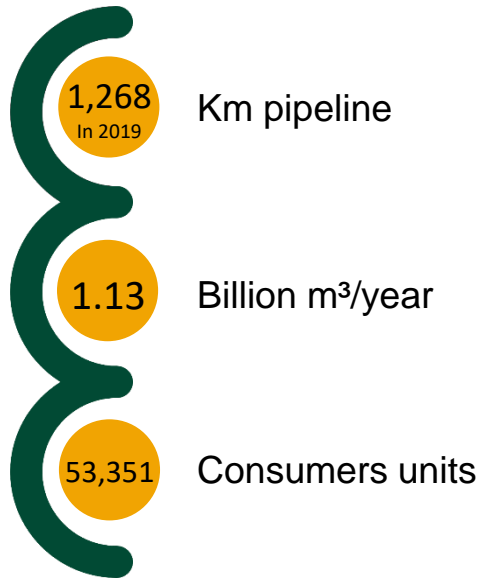
3,568 MW installed capacity

2,424 MW avg Assured Energy

50 Generator units – bulb turbine

20 R\$ billion – Capex





\*Estimated figures