





Disclaimer

This presentation may contain forward-looking statements regarding Sanepar's business prospects, estimates of operating and financial results, and growth prospects. These are only projections and, as such, are based solely on Sanepar management's expectations regarding the future of the business and its continued access to capitals in order to finance the Company's business plan. Forward-looking statements are no guarantee of performance. Such forward-looking statements substantially depend on changes in market conditions, governmental rules, the performance of the industry and the Brazilian economy, among other factors, in addition to the risks presented in the disclosure documents filed by Sanepar and are therefore subject to change without prior notice.



Results Presentation

4rd quarter of 2020

Fiscal Year 2020

Highlights

Comparing 2020 to 2019, the financial indicators presented the following variations:



Water Connections: + 79.3 thousand



Sewage Connections: + 77.0 thousand



Service Index

Water 100% | Sewage 75.1%



EBITDA (BRL thousands)

2019 ⇒ 1,971.7 | 2020 ⇒ 1,932.4



Incentive Retirement Program ("PAI")

565 employees

BRL 132.8 MM | Payback: 11.4 months



Debentures: 10th Issue | Bank Credit Note ("CCB")



2020 Transparency Trophy

2nd best Sanitation Company (Ranking Valor 1000)

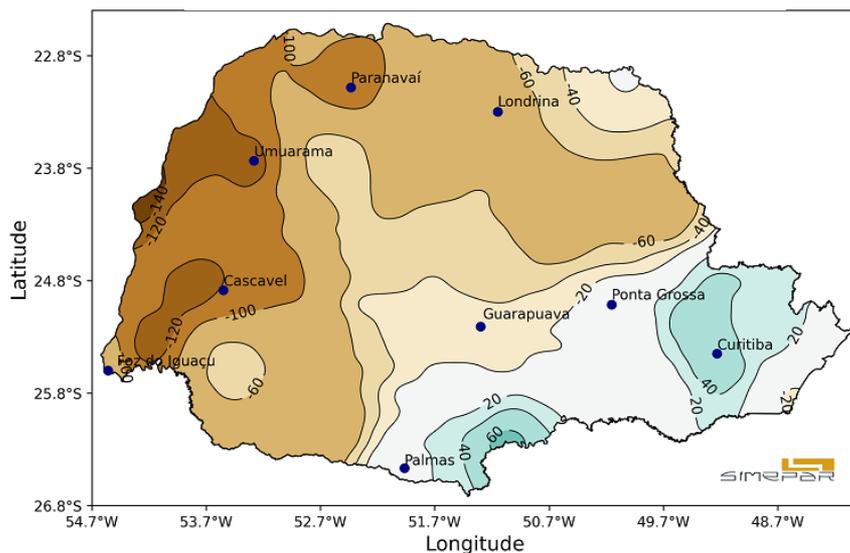
Operating Result



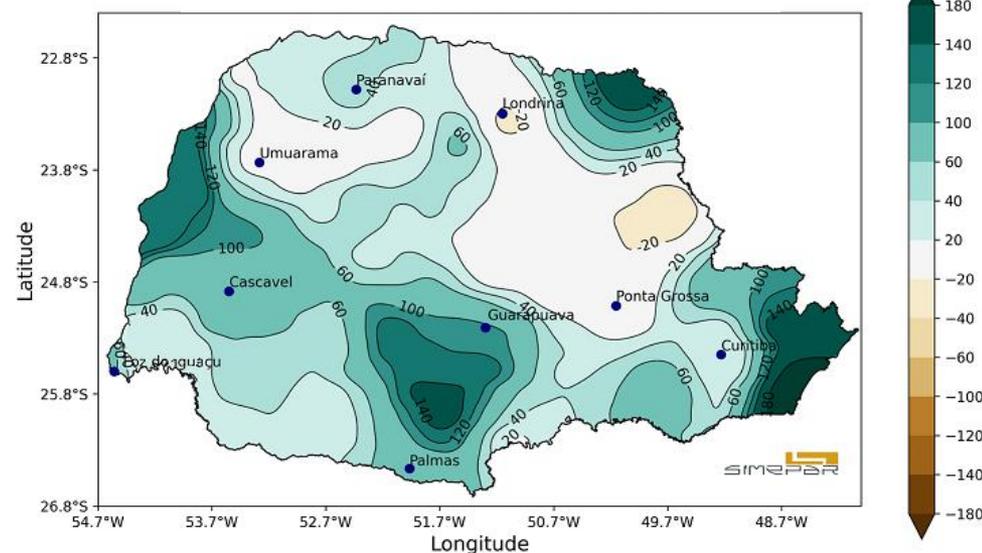
	2018	2019	Var %	2020	Var %
WATER					
Measured Volume ('000)	493,586	511,736	3.7	503,306	(1.6)
Billed Volume ('000)	513,817	532,830	3.7	525,791	(1.3)
Connections Increase	50,600	56,777	12.2	79,274	39.6
Total Connections	3,137,760	3,194,537	1.8	3,273,811	2.5
Economic Units Increase	74,977	77,646	3.6	86,645	11.6
Total Economic Units	3,923,428	4,001,074	2.0	4,087,719	2.2
Sewage					
Collected Volume ('000)	362,380	382,115	5.4	377,327	(1.3)
Billed Volume ('000)	378,909	399,225	5.4	396,232	(0.7)
Connections Increase	100,758	90,077	(10.6)	77,011	(14.5)
Total Connections	2,141,050	2,231,127	4.2	2,308,138	3.5
Economic Units Increase	135,367	122,720	(9.3)	95,447	(22.2)
Total Economic Units	2,896,583	3,019,303	4.2	3,114,750	3.2
DELINQUENCY RATE	1.0%	1.7%	0.7 p.p	2.8%	1.1 p.p
OP. EFFICIENCY (Liters/Connections/Day)	234.4	230.5	(1.7)	220.2	(4.5)

Draught in Paraná

Anomaly rainfall in Paraná (mm) November / 2020



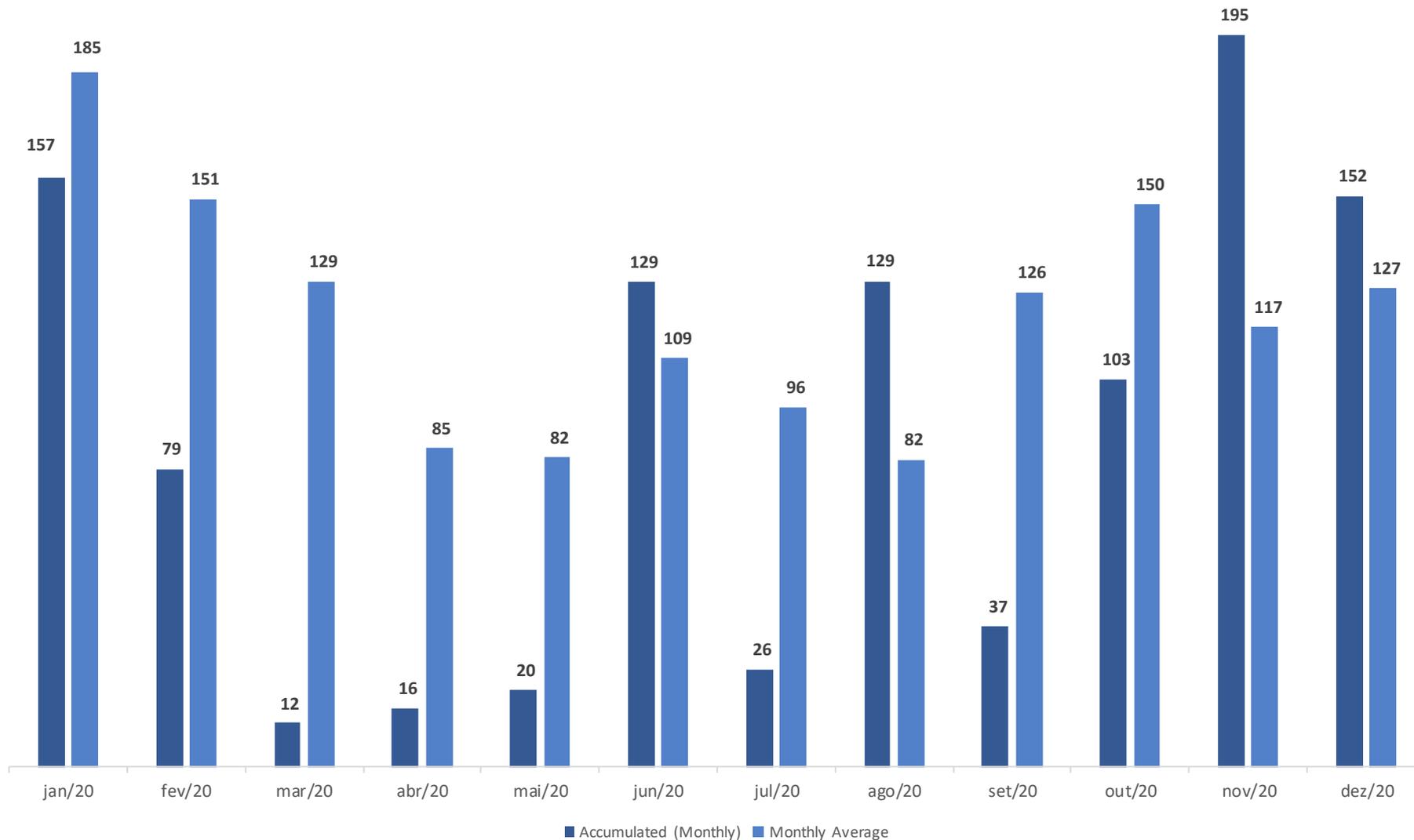
Anomaly rainfall in Paraná (mm) December / 2020



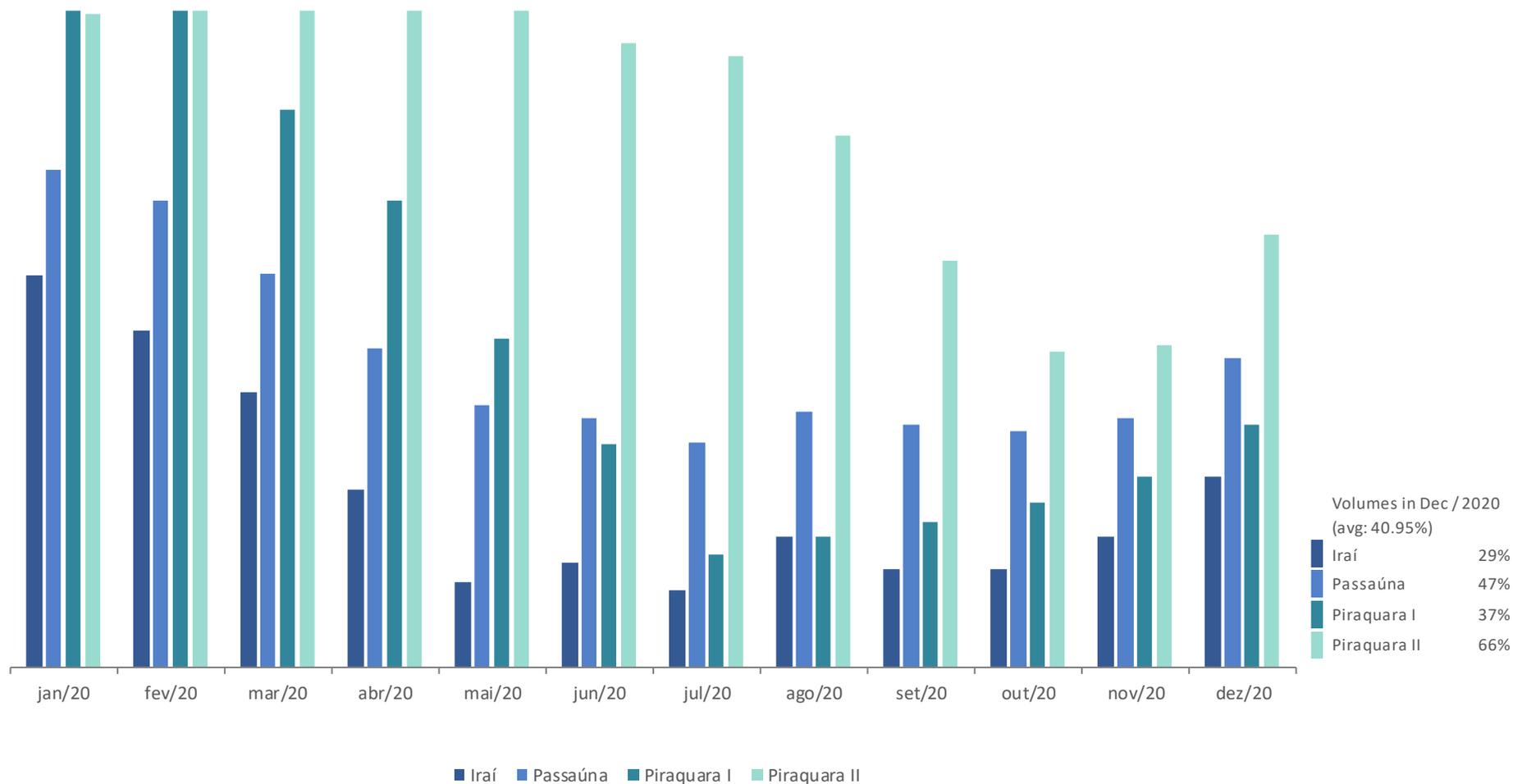
- The southern region of Brazil has been experiencing water scarcity since 2019.
- December was a heterogeneous month, with a surplus of rainfall in the southwestern portion, a deficit in the northeast region and rainfall close to normal in the Metropolitan Region of Curitiba;
- The December rains contributed to the recovery of the water sources, which are ongoing in the east and west but are delayed in the central region. In the Metropolitan Region of Curitiba, Pequeno, Miringuava and Passaúna rivers are close to their long-term averages, in a process of progressive recovery.
- For the next six months, the behavior of the climate in Paraná will be influenced by the La Niña event of moderate to strong intensity (unfavorable climatic sign for above-average rainfall).

Rainfall precipitation (mm)

Curitiba



Reservoir Levels



Performance Indicators



COVENANTS

2018

2019

2020

Debentures: 8th, 9th, 10th issues & CCB

Net Bank Debt / Adjusted EBITDA

≤ 3.0

1.46

1.33

1.39

Net Financial Expense Coverage Index

≥ 1.5

8.14

11.73

9.72

BNDES / Debentures: 2nd, 4th & 7th issues

Net Bank Debt / EBITDA

≤ 3.0

1.49

1.42

1.44

Service Coverage Debt Index / EBITDA

≥ 1.5

2.12

2.63

3.41

Other Onerous Debts / EBITDA

≤ 1.0

0.57

0.63

0.61

CAIXA Contracts

Net Financial Expense Coverage Index

≥ 1.5

8.14

11.73

9.72

Net Bank Debt / Adjusted EBITDA

≤ 3.0

1.46

1.33

1.39

Other Onerous Debts / Adjusted EBITDA

≤ 1.0

0.56

0.58

0.59

Performance Indicators



COVENANTS / RATIOS		2018	2019	2020
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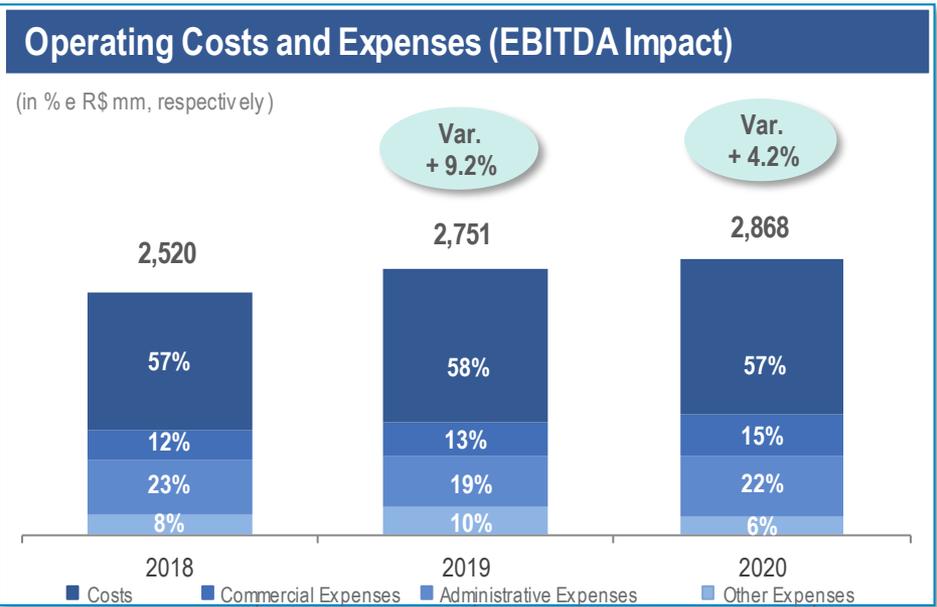
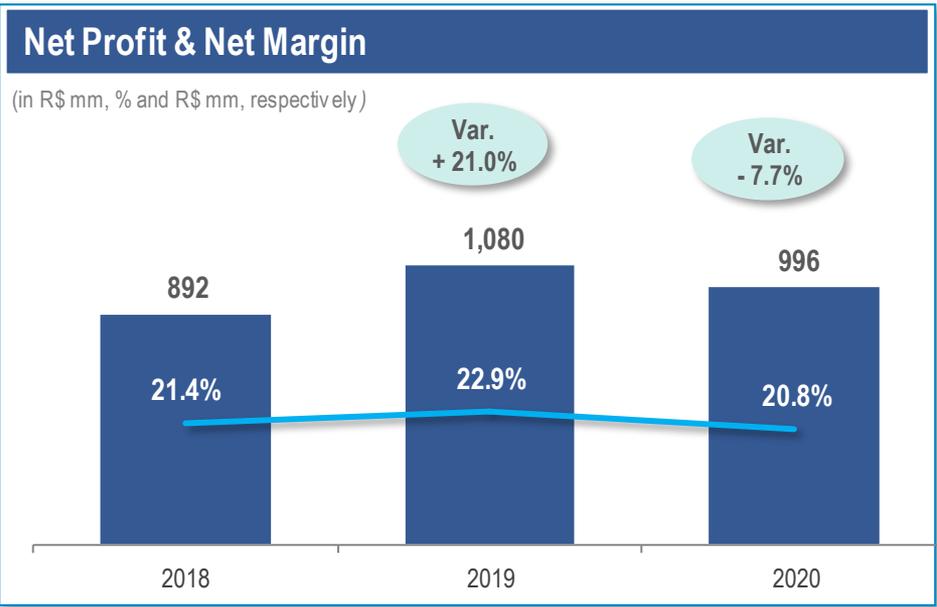
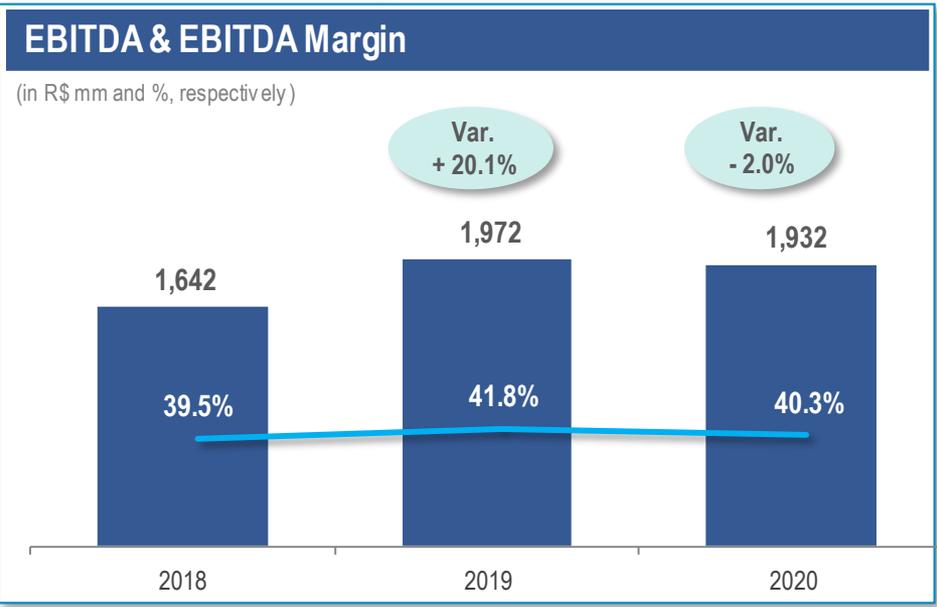
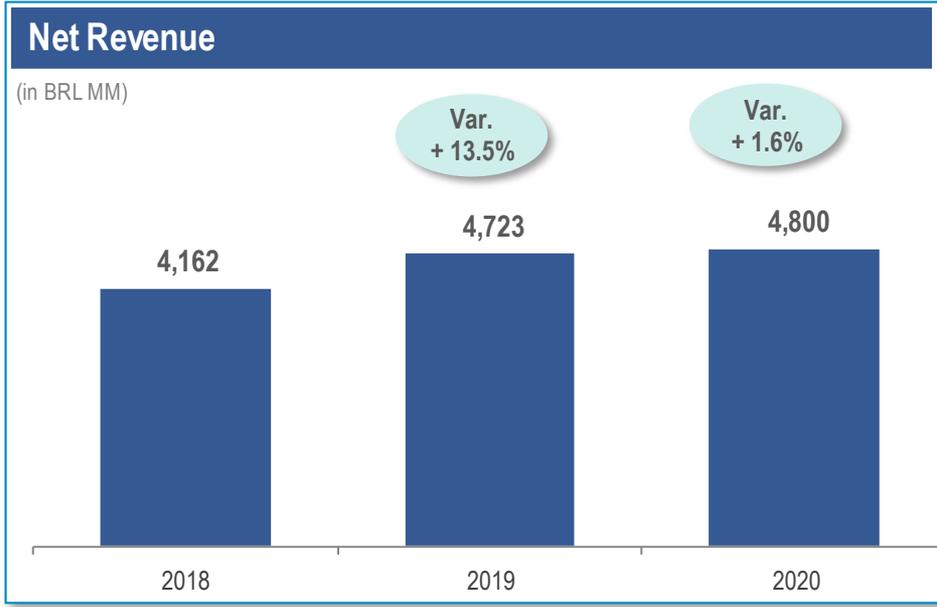
KfW Contracts				
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Debt Service Coverage Ratio / EBITDA	≥ 1.5	2.12	2.63	3.41
Net Bank Debt / EBITDA	≤ 3.0	1.49	1.42	1.44
Other Onerous Debts / EBITDA	≤ 1.0	0.57	0.63	0.61
Debt Level	≤ 0.60	47.0%	48.3%	47.4%

RATIOS				
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EBITDA Margin		39.5%	41.8%	40.3%
ROIC		12.6%	13.5%	11.7%
ROE		16.4%	18.2%	15.2%

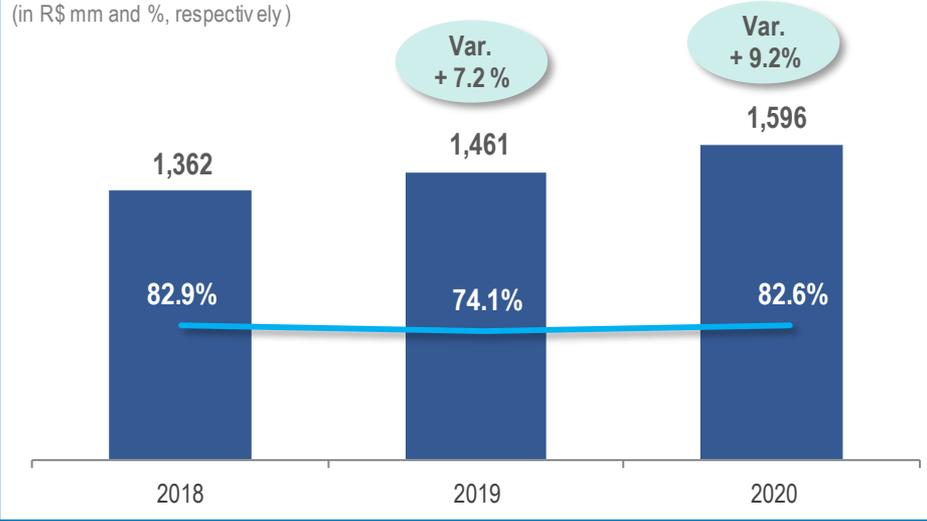
Financial Performance



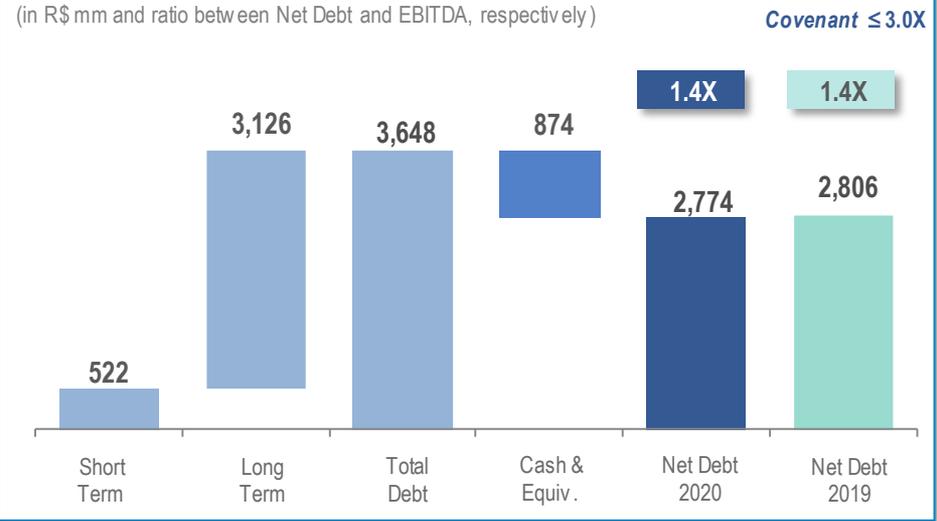
Financial Performance



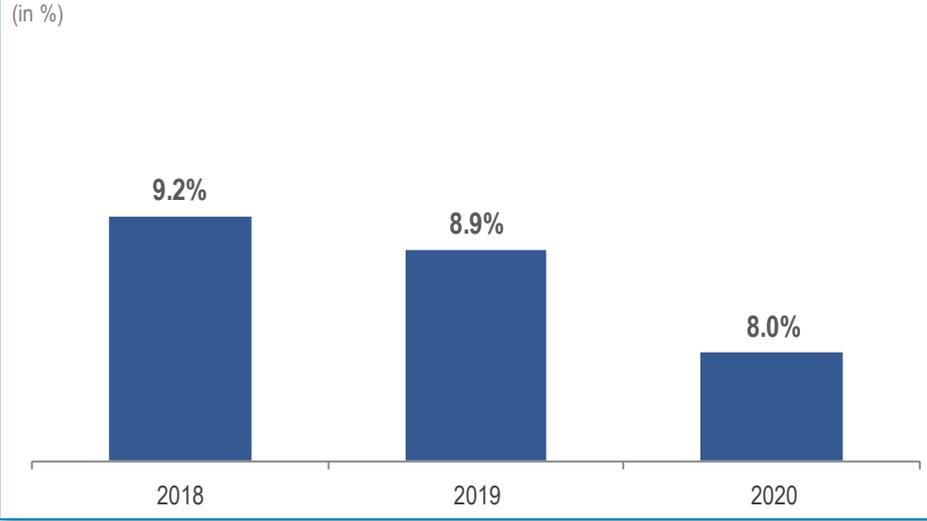
Cash Generation and EBITDA Conversion



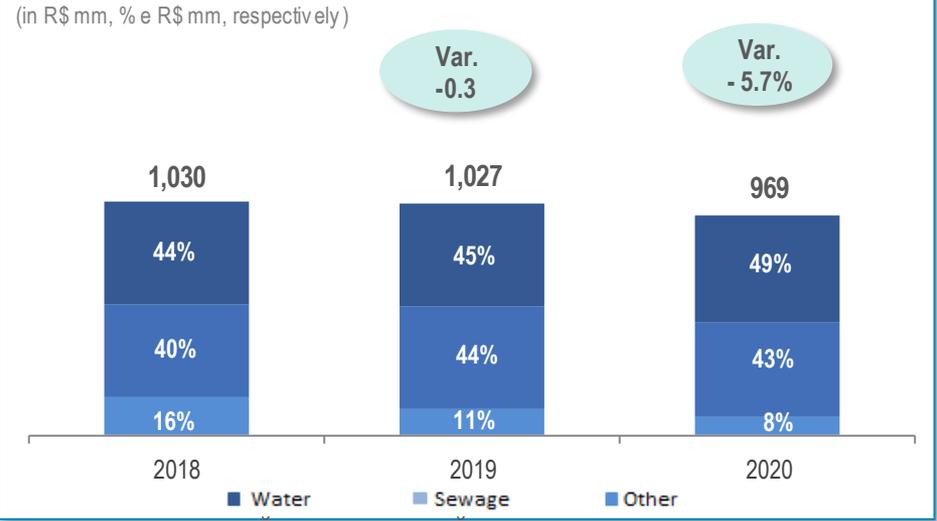
Net Debt and Leverage



Weighted Average Cost of Debt



CAPEX



Income Statement



Quarterly Results	4Q18	4Q19	Var %	4Q20	Var %
NET REVENUE	1,097,950	1,339,618	22.0	1,236,789	(7.7)
Personnel	268,450	290,716	8.3	258,824	(11.0)
PPR	39,919	213	(99.5)	31,877	14,865.7
Material	40,604	61,193	50.7	58,913	(3.7)
Electricity	121,123	124,200	2.5	106,913	(13.9)
Third Party Services	167,845	172,271	2.6	168,839	(2.0)
General & Taxes	44,065	40,074	(9.1)	35,200	(12.2)
Civil, Work, Environmental, Fiscal, Tax Provisions	(56,190)	(292)	(99.5)	(8,368)	2,765.8
Health Care & Social Security Provisions	11,646	15,229	30.8	10,663	(30.0)
Financial Expenses (Revenues)	48,339	45,954	(4.9)	62,826	36.7
Other Costs and Expenses	55,141	90,921	64.9	120,757	32.8
TOTAL COSTS AND EXPENSES	740,942	840,479	13.4	846,444	0.7
Income Tax & Social Contribution	36,996	112,818	204.9	98,993	(12.3)
NET RESULT	320,012	386,321	20.7	291,352	(24.6)
Net Margin %	29.1%	28.8%	-0.3 p.p	23.6%	-5.2 p.p
EBITDA	475,698	631,198	32.7	547,168	(13.3)
EBITDA Margin %	43.3%	47.1%	3.8 p.p	44.2%	-2.9 p.p
EBIT	405,347	545,093	34.5	453,171	(16.9)
EBIT Margin %	36.9%	40.7%	3.8 p.p	36.6%	-4.1 p.p

Income Statement



Accumulated Results	2018	2019	Var %	2020	Var %
NET REVENUE	4,162,205	4,722,826	13.5	4,799,655	1.6
Personnel	1,037,465	1,094,751	5.5	1,212,196	10.7
PPR	134,246	76,627	(42.9)	74,422	(2.9)
Material	151,996	204,043	34.2	216,870	6.3
Electricity	425,536	474,455	11.5	449,262	(5.3)
Third Party Services	611,570	622,327	1.8	649,616	4.4
General & Taxes	177,320	151,948	(14.3)	145,210	(4.4)
Civil, Work, Environmental, Fiscal, Tax Provisions	(43,837)	84,875	(293.6)	(1,995)	(102.4)
Health Care & Social Security Provisions	76,011	60,084	(21.0)	60,784	1.2
Financial Expenses (Revenues)	205,639	180,401	(12.3)	204,775	13.5
Other Costs and Expenses	221,257	319,431	44.4	422,760	32.3
TOTAL COSTS AND EXPENSES	2,997,203	3,268,942	9.1	3,433,900	5.0
Income Tax & Social Contribution	272,515	373,850	37.2	369,412	(1.2)
NET RESULT	892,487	1,080,034	21.0	996,343	(7.7)
Net Margin %	21.4%	22.9%	1.5 p.p	20.8%	-2.1 p.p
EBITDA	1,642,028	1,971,727	20.1	1,932,397	(2.0)
EBITDA Margin %	39.5%	41.8%	2.3 p.p	40.3%	-1.5 p.p
EBIT	1,370,641	1,634,285	19.2	1,570,530	(3.9)
EBIT Margin %	32.9%	34.6%	1.7 p.p	32.7%	-1.9 p.p

Non-recurring effect



Non-recurring Items	4Q19	4Q20	2019	2020
Net Profit	386,320	291,352	1,080,036	996,343
Incentive Retirement Program	-	4,966	-	132,760
IBAMA Installments	-	18,951	-	18,951
Impairment: CS Bioenergia	17,346	(660)	17,346	(660)
AVP over Contractual Financial Assets	-	-	-	11,057
Indemnity - DM / LFM / SEF Consortium	-	-	-	15,184
Indemnity - City of Maringá	-	-	28,690	-
Tax Effects	(5,898)	(7,907)	(9,225)	(60,279)
Non-recurring adjusted Net Profit	397,768	306,702	1,116,847	1,113,356
Realized Net Profit	386,320	291,352	1,080,036	996,343
Recurring variation x Realized	3.0%	5.3%	3.4%	11.7%
Non-recurring adjusted Net Margin	29.7%	24.8%	23.6%	23.2%
Realized Net Margin	28.8%	23.6%	22.9%	20.8%
Recurring variation x Realized	0.9 p.p	1.1 p.p	0.8 p.p	2.4 p.p
Non-recurring adjusted EBITDA	648,545	570,425	2,017,787	2,109,689
Realized EBITDA	631,199	547,168	1,971,728	1,932,397
Recurring variation x Realized	2.7%	4.3%	2.3%	9.2%
Non-recurring adjusted EBITDA Margin	48.4%	46.1%	42.7%	44.0%
Realized EBITDA Margin	47.1%	44.2%	41.7%	40.3%
Recurring variation x Realized	1.3 p.p	1.9 p.p	1,0 p.p	3.7 p.p

Adjusted EBITDA with non-manageable items

(in BRL millions)

2020

EBITDA	1,932.4
(+) Non-manageable items	45.6
Electricity	(8.9)
Treatment Material	40.9
Fees and Charges	13.6
(=) Adjusted EBITDA with non-manageable items	1,978.0
EBITDA Margin (non-manageable items adjustment)	41.2%

Balance Sheet



	2018	2019	Var %	2020	Var %
Net Debt	(2,628,372)	(3,035,713)	15.5	(2,979,501)	(1.9)
Cash and Cash Equivalent	35,003	16,878	(51.8)	5,127	(69.6)
Financial Investments	291,621	257,181	(11.8)	869,196	238.0
Loans, Financing and Debentures	(2,771,318)	(3,080,431)	11.2	(3,647,588)	18.4
Dividends and IoE	(183,678)	(229,341)	24.9	(206,236)	(10.1)
Operating Working capital	270,159	448,388	66.0	370,721	(17.3)
Accounts Receivable from Customers, net	661,124	829,562	25.5	799,603	(3.6)
Stocks for Operation	39,120	46,146	18.0	53,857	16.7
Contractors & Suppliers	(190,742)	(214,445)	12.4	(213,820)	(0.3)
Salaries & Social Charges	(239,343)	(212,875)	(11.1)	(268,919)	26.3
Other Assets / Liabilities	594,405	804,754	35.4	854,541	6.2
Provisions	(461,797)	(546,672)	18.4	(544,677)	(0.4)
Retirement & Health Care Plans	(941,788)	(1,236,602)	31.3	(1,171,352)	(5.3)
Contracts Assets	1,393,187	1,756,714	26.1	1,634,802	(6.9)
Other Assets / Liabilities	604,803	831,314	37.5	935,768	12.6
Fixed Assets	7,480,996	7,956,485	6.4	8,697,402	9.3
Net Equity	(5,717,188)	(6,173,914)	8.0	(6,943,163)	12.5
Operating Working Capital Turnover	24	35		28	

Note: Other assets / liabilities consider recoverable and deferred taxes, restricted deposits and judicial deposits, other assets, concession contracts, contractual guarantees and retentions and other liabilities. Fixed assets consider intangible assets, fixed assets, investments and contractual financial assets.

	2018	2019	Var %	2020	Var %
Operating Activities	1,362,006	1,460,551	7.2	1,595,544	9.2
Net Profit of the Adjusted Fiscal Year	1,435,408	1,797,158	25.2	1,711,644	(4.8)
Decrease (Increase) of Assets	(75,403)	(273,492)	262.7	(85,397)	(68.8)
Increase (Decrease) of Liabilities	2,001	(63,115)	(3,254.2)	(30,703)	(51.4)
Investment Activities	(980,030)	(1,029,604)	5.1	(970,024)	(5.8)
Financing Activities	(589,240)	(483,512)	(17.9)	(25,256)	(94.8)
Loans and Financing	490,910	659,830	34.4	860,789	30.5
Dividends / IoE Payment	(298,398)	(394,600)	32.2	(303,649)	(23.0)
Financing Payment	(775,587)	(667,982)	(13.9)	(487,127)	(27.1)
Leasing Payment	-	(81,555)	100.0	(78,746)	(3.4)
Other Variations	(6,165)	795	(112.9)	(16,523)	(2,178.4)
Increase (Decrease)	(207,264)	(52,565)	(74.6)	600,264	(1,241.9)
At the beginning of the period	533,888	326,624	(38.8)	274,059	(16.1)
At the end of the period	326,624	274,059	(16.1)	874,323	219.0

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