

# EARNINGS PRESENTATION 1Q22

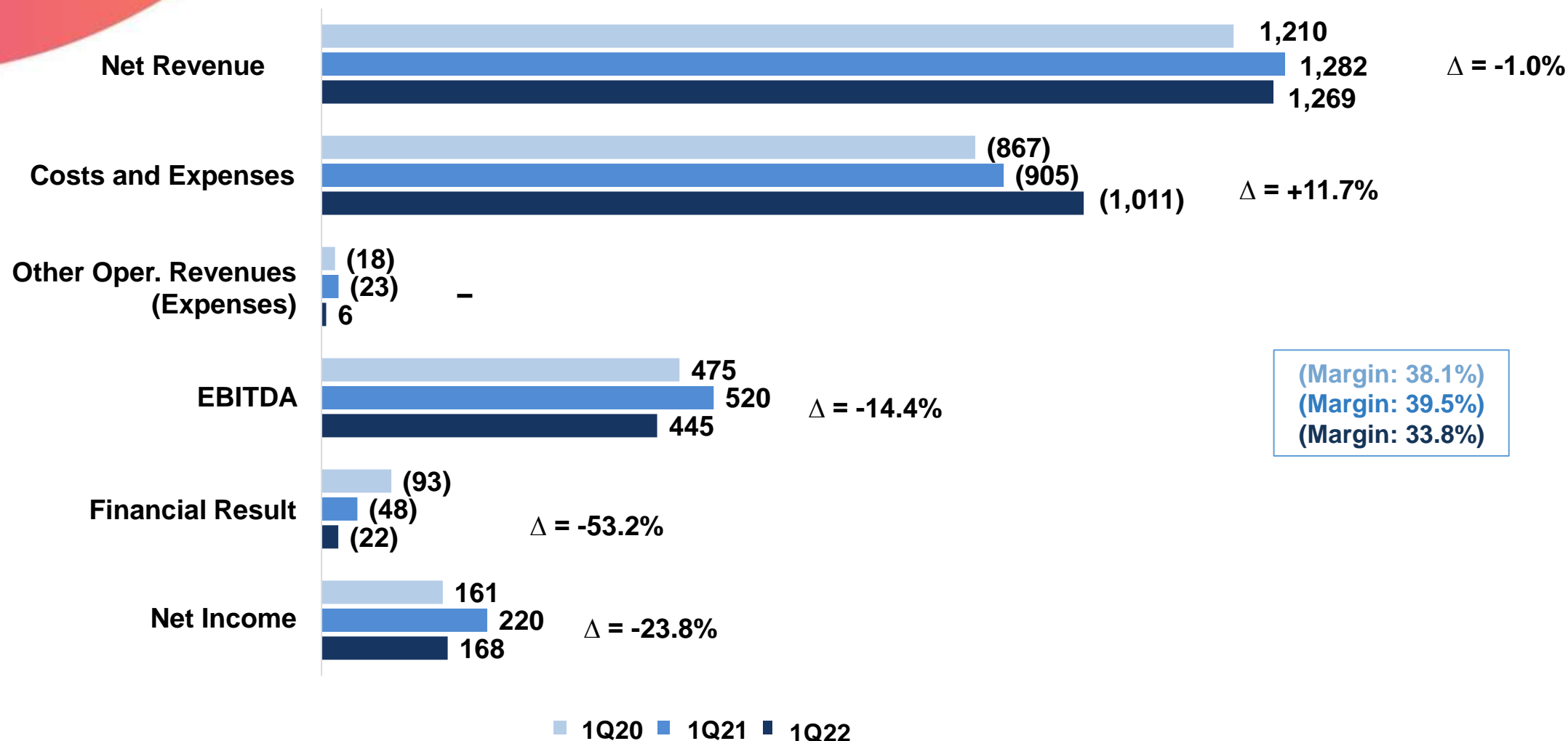
## MAY 3<sup>RD</sup>, 2022



# FINANCIAL HIGHLIGHTS

## Parent Company

(R\$ million)

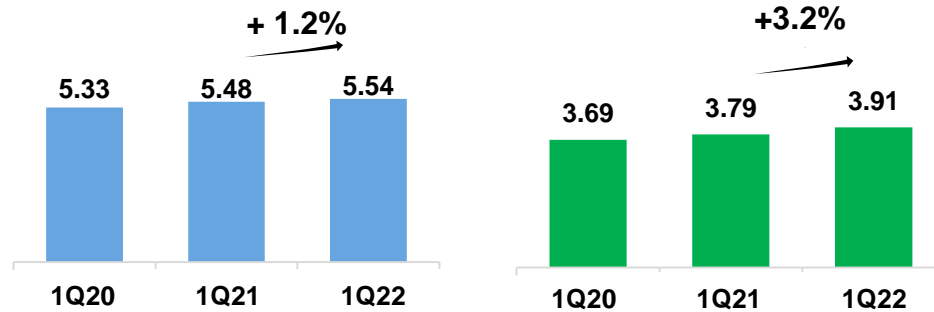


# WATER, SEWAGE AND SOLID WASTE REVENUE

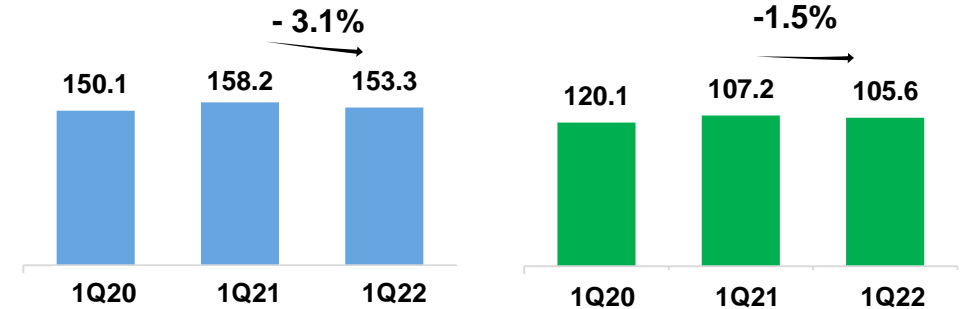
(R\$ million)

Net Revenue	1T20	1T21	Var (%)	1T22	Var (%)
Water	769.2	816.2	6.1%	838.0	2.7%
Sewage	440.0	465.4	5.8%	430.2	-7.6%
Solid Waste	0.5	0.6	17.5%	0,6	-2.8%
<b>Water, Sewage and Waste</b>	<b>1,209.7</b>	<b>1,282.2</b>	<b>6.0%</b>	<b>1,268.9</b>	<b>-1.0%</b>

## Consumer Units (Consolidated – Million Units)

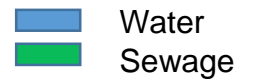


## Measured Volume (Consolidated – Million M³)



### Other elements:

- Tariff Revision: -1,52% (August/2021);
- Drop in volume per consumer unit of water (4,2%) and of sewage (4,5%), partially affected by the 1,5% decrease in the number of consumption days (90,5 days – 1Q22 x 91,9 days – 1Q21);
- Granted benefits (R\$4 million) to the victims of rainfall in MG (registered from 12/2021 to 02/2022).



# Manageable Costs Parent Company

(R\$ million)

Specification	1Q20	1Q21	1Q22
Personnel	347.6	357.3 +2.8%	374.4 +4.8%
Outsourced Services (excluding non-administ.)	95.5	103.6 +8.5%	129.5 +25.0%
Rio Manso PPP	19.7	20.0 +1.7%	23.3 +16.5%
Material (excluding non-administ.)	12.0	14.5 +20.1%	16.5 +14.3%
Provision for Doubtful Accounts (PDA)	51.6	49.0 -5.0%	58.6 +19.4%
Tariff Transfers to Municipalities	33.5	41.0 +22.4%	43.6 +6.3%
Sundry Operational Costs	7.9	8.1 +1.9%	8.6 +6.9%
<b>Subtotal</b>	<b>567.8</b>	<b>593.4 +4.5%</b>	<b>654.5 +10.3%</b>



# NON-MANAGEABLE COSTS AND OTHERS

## Parent Company

(R\$ million)

Specification		1Q20	1Q21		1Q22
Non-Manageable Costs	Electricity	109.0	123.9	+13.6%	149.2 +20.5%
	Telecommunication	3.2	3.0	-3.7%	3.0 -
	Treatment Chemicals	28.7	22.7	-20.8%	30.1 +32.6%
	Fuel and Lubricants	6.3	5.8	-8.4%	8.5 +48.0%
	Tax Credits	(12.8)	(14.4)	+12.4%	(16.4) +14.4%
Subtotal		134.3	141.0	+4.9%	174.4 +23.7%
Others	Charge for Usage of Water Resources	6.2	4.1	-34.3%	-
	Depreciation and Amortization	159.0	166.6	+4.8%	182.3 +9,5%
Total		867.3	905.0	+4.3%	1,011.2 +11.7%

# OTHER REVENUES/EXPENSES, EQUITY INCOME AND FINANCIAL RESULT

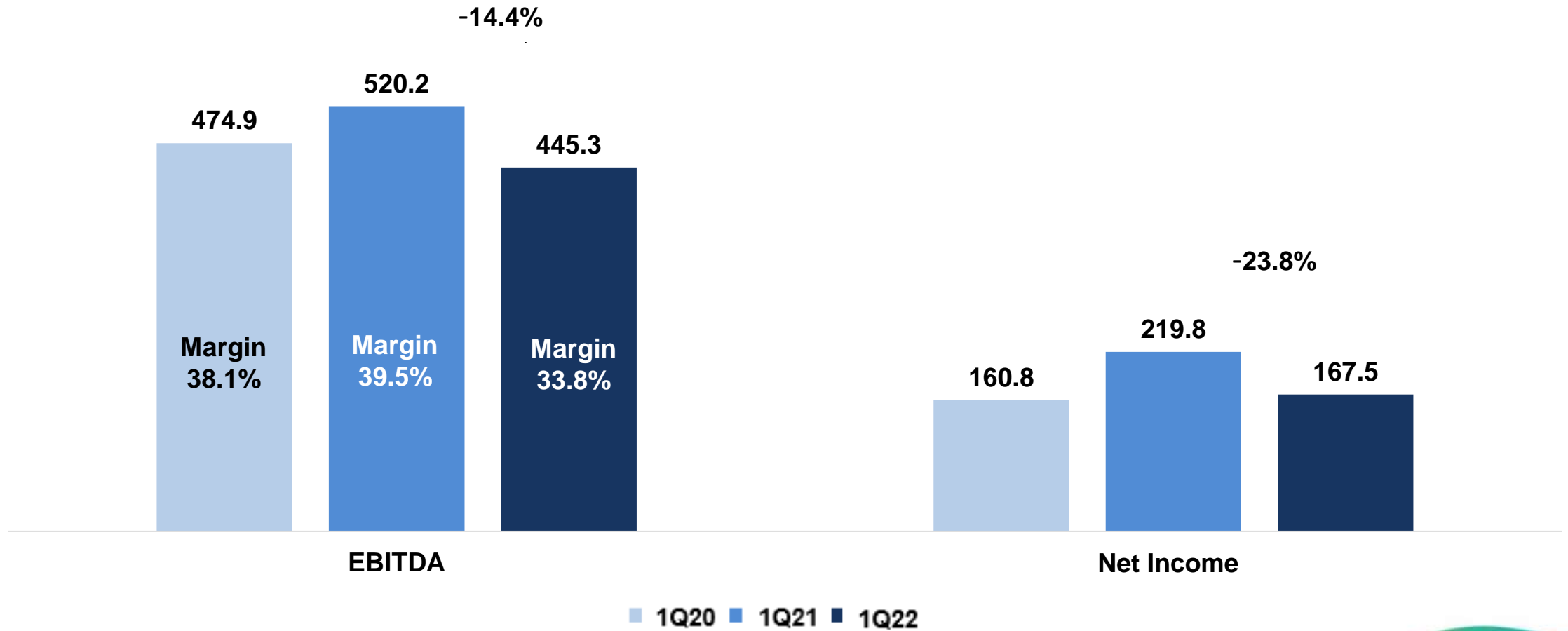
Parent Company

(R\$ million)

Other Items	1Q20	1Q21	1Q21 X 1Q20	1Q22	1Q22 X 1Q21
Other Operational Revenues	29.3	25.5	-13.0%	35.9	41.1%
Other Operational Expenses	(47.2)	(48.3)	2.2%	(29.6)	-38.8%
Equity Income	(9.0)	(2.1)	-76.7%	(2.3)	12.1%
Financial Result	(92.7)	(47.8)	-48.5%	(22.4)	-53.2%
<b>TOTAL</b>	<b>(119.6)</b>	<b>(72.7)</b>	<b>-39.3%</b>	<b>(18.3)</b>	<b>-74.8%</b>

## EBITDA, EBITDA MARGIN AND NET INCOME Parent Company

(R\$ million)



## CAPEX Finished and Projected Investments

(R\$ million)

Finished Investments	1T22
Water	119.1
Sewage	72.2
Others	5.8
<b>Parent Company (COPASA MG)</b>	<b>197.1</b>
COPANOR	3.6
<b>Total</b>	<b>200.7</b>

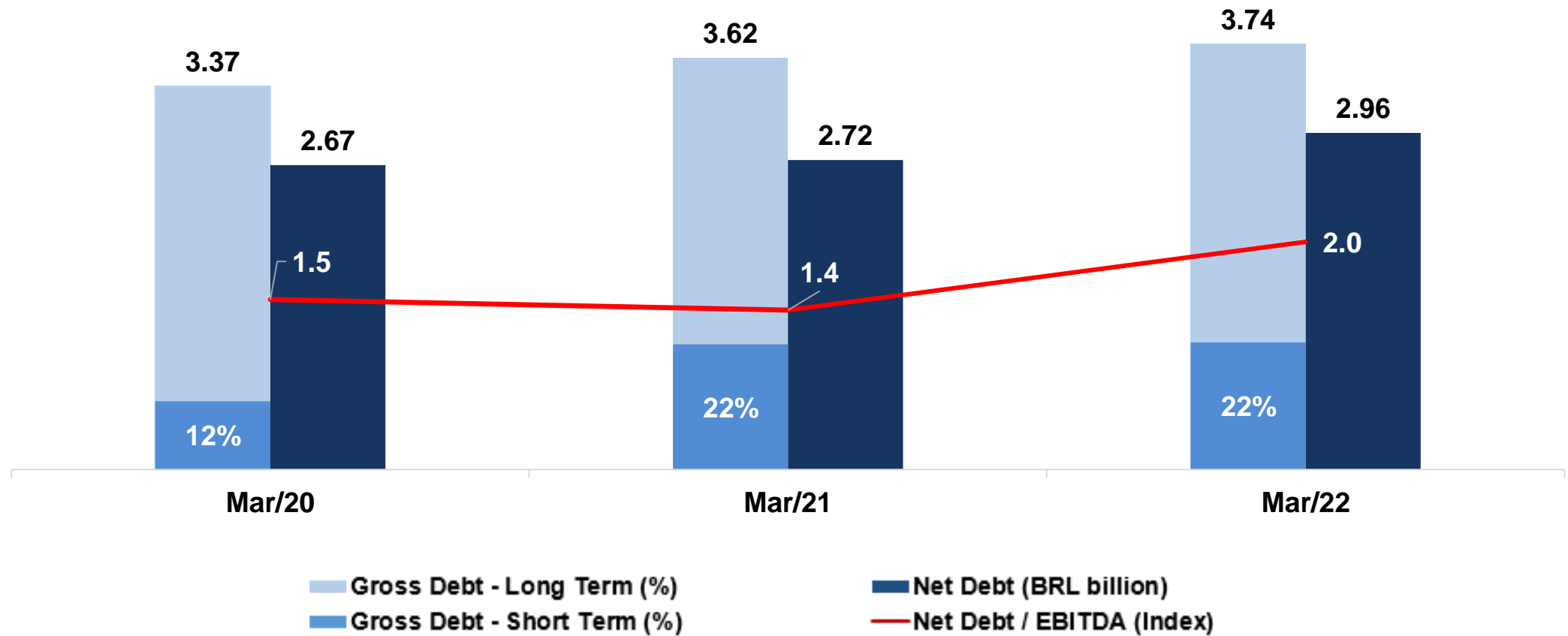
Projected Investments	2022	2023	2024	2025	2026
Amount	1,395	1,410	1,600	1,600	1,410



## DEBT

### Gross Debt, Net Debt and Leverage

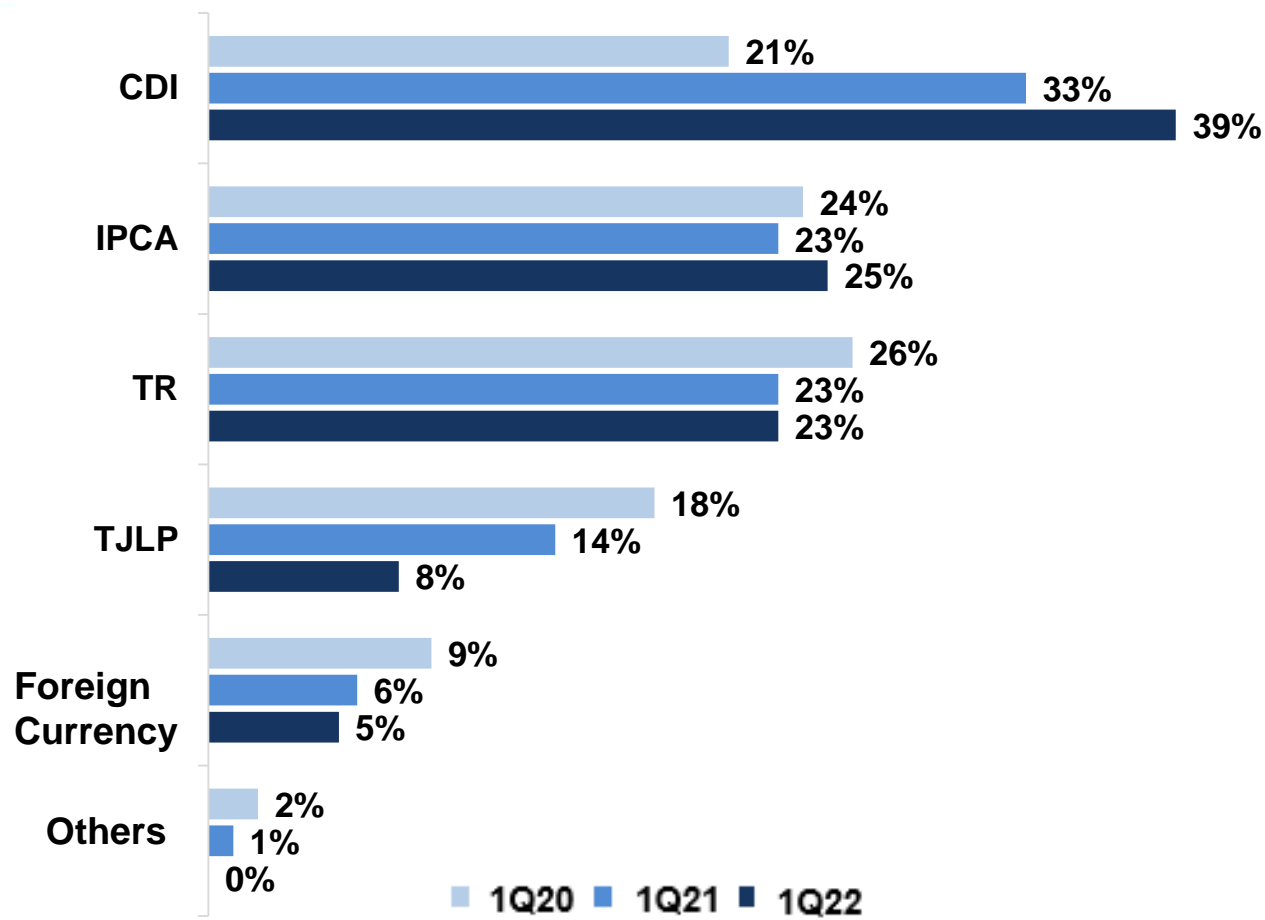
(R\$ billion)



Financial Contractual Covenants: COPASA complies with the restrictive clauses

# DEBT

## Indexes and Average Coupon



	1Q20	1Q21	1Q22
Average Coupon	5.9%	5.5%	9.1%

	1Q20	1Q21	1Q22
Debt Level (Net Debt/Shareholder's Equity)	39.0%	41.1%	42.9%

Corporative Ratings – National Scale	
<ul style="list-style-type: none"> <li>• Moody's: AAA.br – stable outlook – September/2021</li> <li>• Fitch: AA+(bra) – stable outlook – July/2021</li> </ul>	



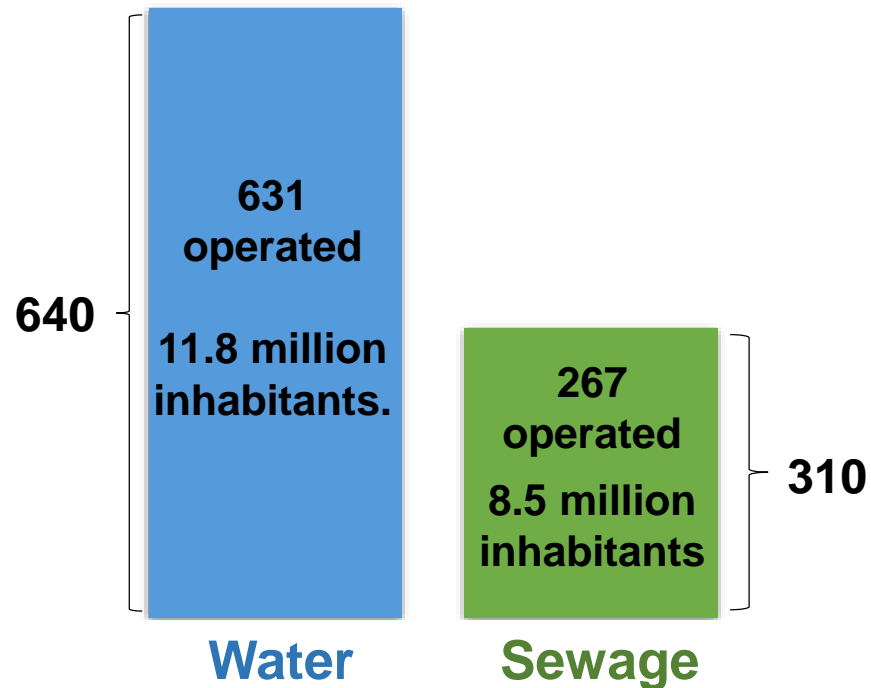
## SHAREHOLDER'S COMPENSATION

- ✓ **Ordinary Dividends for 2022:** 25% of Adjusted Net Income (Board of Directors, at a meeting held on 02.16.2022)

Reference	Board of Directors Meeting	Total Amount (R\$ MM)	Payment Date
1Q22	03.17.2022	33.9	05.16.2022

# CONCESSIONS

## Consolidated



▪% of revenues from concessions to expire from Jan/2032: 85%

▪Expiration of 10 largest concessions: 50.9% of revenue

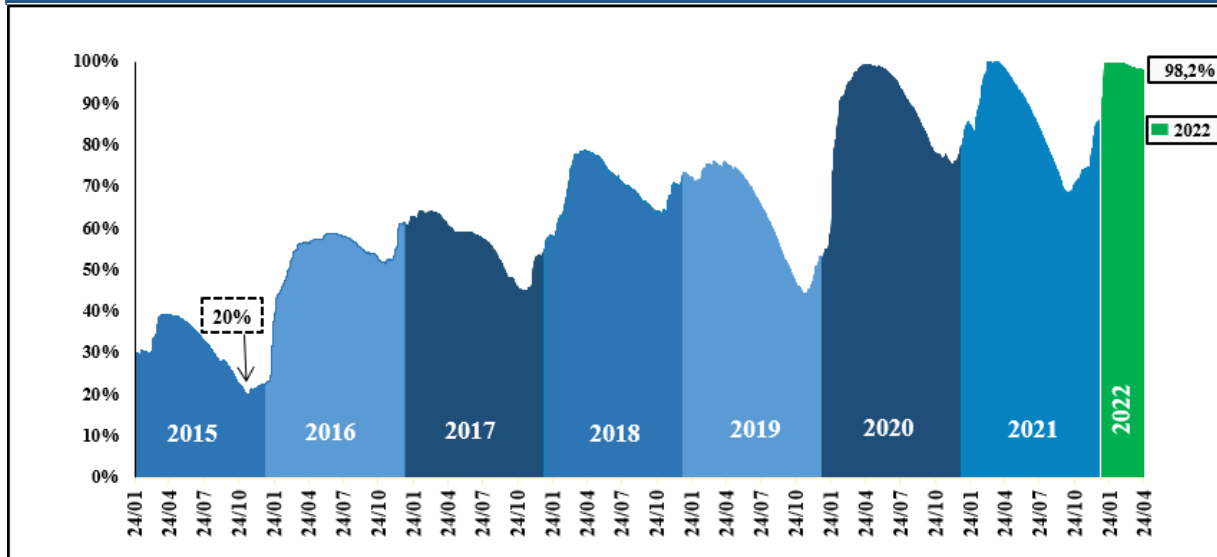
- Belo Horizonte – 2032
- Contagem – 2073
- Betim – 2042
- Montes Claros – 2048
- Ribeirão das Neves – 2034
- Divinópolis – 2041
- Santa Luzia – 2050
- Pouso Alegre – 2046
- Varginha – 2047
- Patos de Minas – 2038

▪Municipalities with expired concessions (14) and concessions cancelled by the courts (2): 3.6% of revenue

# HYDROLOGICAL SITUATION

## Belo Horizonte Metropolitan Area – BHMA

### Paraopeba System: Aggregated Volume<sup>1</sup>



Volume of each reservoir	04/24/2022
Rio Manso	100.0%
Vargem das Flores	87.6%
Serra Azul	100.0%

### Rio das Velhas System

#### About the System

Representativeness of BHMA's distributed volume	42%
Water collection grant	8.7 m <sup>3</sup> /s
Average flow (last 15 days prior to April, 24, 2022)	20.5 m <sup>3</sup> /s
Average flow collected in the last 12 months (from January to December, 2021)	6.9 m <sup>3</sup> /s

1) Responsible for 49% of distributed volume in BHMA.

# Questions & Answers



# DISCLAIMER

Any statements that may be made during this presentation regarding COPASA MG's business prospects, projections and operational and financial goals are premises and expectations of the Company's management, based on information currently available. They involve risks and uncertainties, since they refer to future events, and therefore depend on circumstances that may or may not occur. Changes in macroeconomic policy, legislation or other operating factors may affect the future performance of COPASA MG and lead to results that materially differ from those expressed in such considerations.





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