

# Earnings Presentation 2Q25

August 5, 2025



# Highlights – 2Q25



Record Investments in  
1H25: **BRL 1.2 billion** in  
CAPEX (~32% + vs. 1H24)



**Losses Reduced to 37.6%** as  
of June 30, 2025 (**1.1 p.p.**  
improvement vs. 30.06.2024)



1H25 Dividends: **BRL 181M**  
paid (Apr 25), **BRL 164M** due  
(Aug 11)



June 2025 **Default Rate** at  
**2.83%** — Lowest on Record



**Hedge** Contracted (IPCA+  
Swap) on Debt with BEI —  
**EUR 90.5M**



Company Rating  
Maintained by **Moody's** at  
**AAA.br** (Apr 17, 2025)



**BRL 554M** in Operating  
**Cash Flow** in 2Q25, in line  
with 2Q24



Appropriate **Leverage**  
**Level in 2x** (1,8x on  
30.06.24)



# Value Creation Agenda

Key initiatives focused on asset base growth and efficiency gains

## Process-driven organizational restructuring

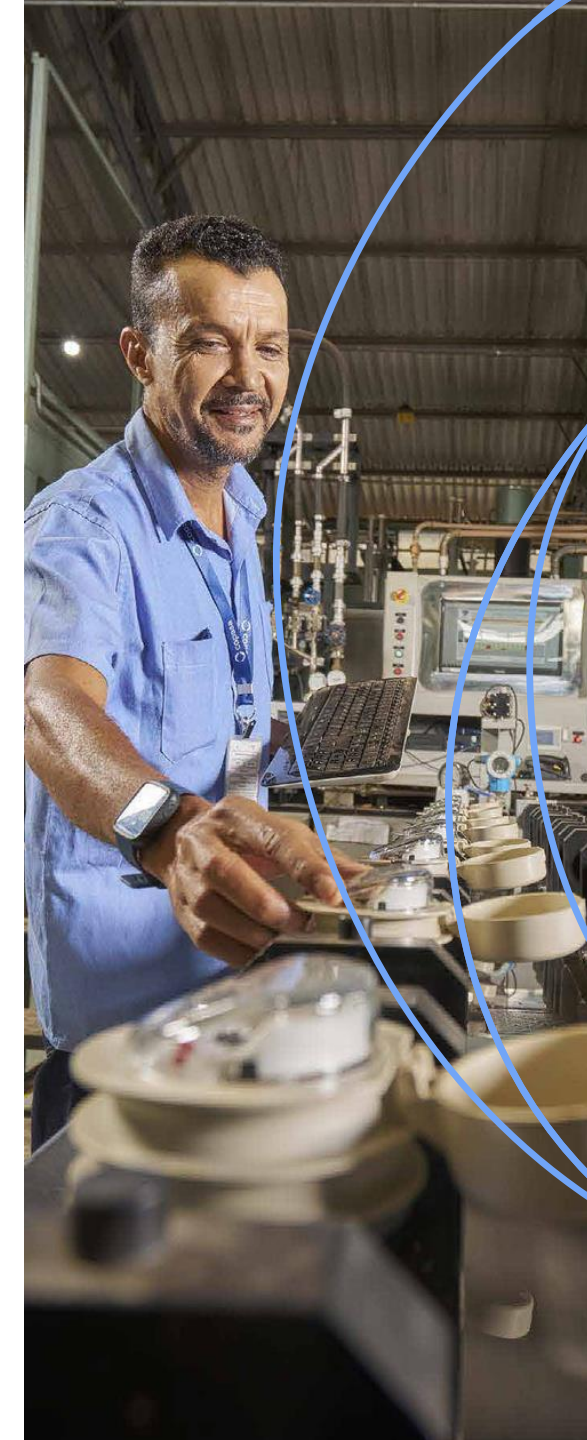
- ❑ Implementation of the Shared Services Center (SSC)
- ❑ Redesign of the Operations Department's operating model

## Strategic CAPEX Planning and Oversight

- ❑ Introduction of a new model for capital investment oversight

## Operational efficiency

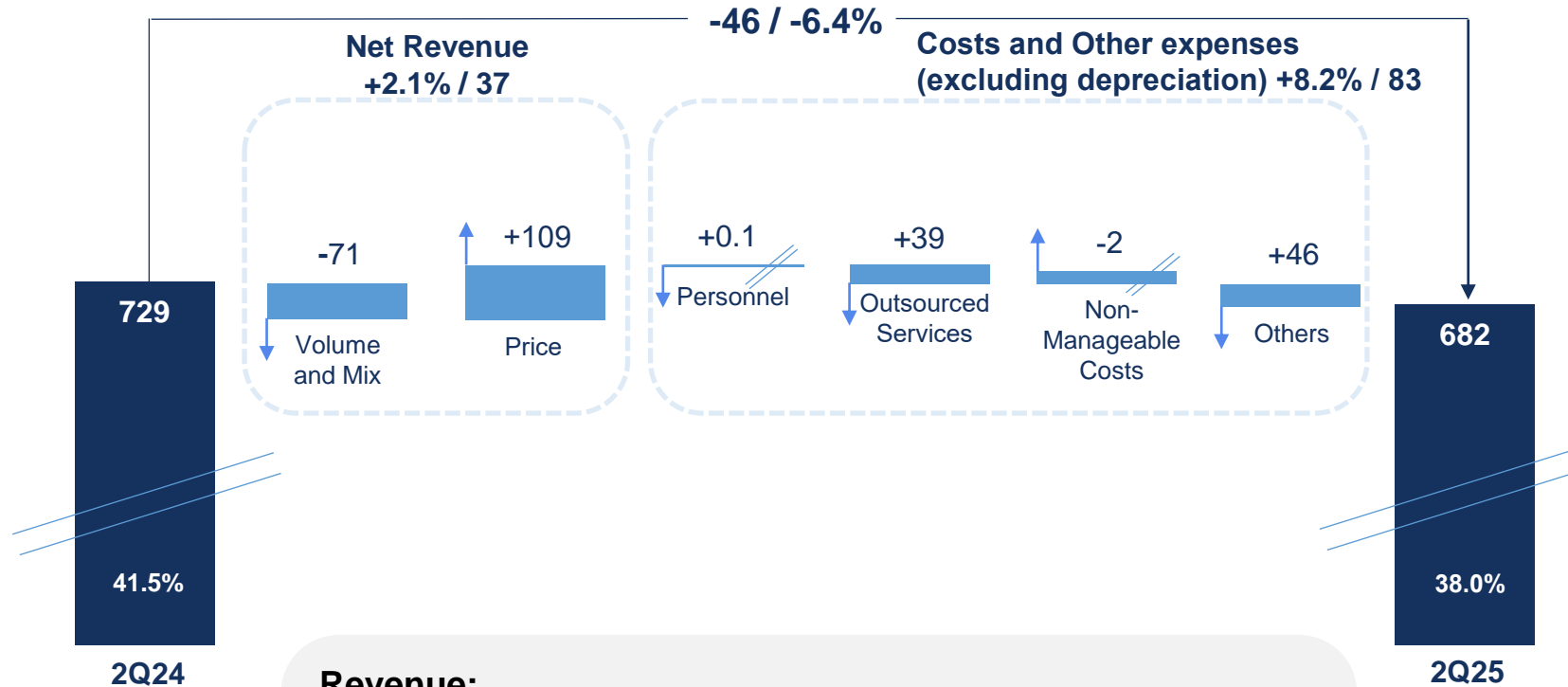
- ❑ Implementation of Zero-Based Budgeting for 2026
- ❑ Application of Advanced Analytics in fraud management
- ❑ Application of Strategic Sourcing in service contracts



## EBITDA (2Q24 vs. 2Q25)

Reduction in volume-mix and non-recurring expenses impacted the quarterly results

(BRL million)



### Revenue:

- ❑ Reduction in volume-mix and an impact of -63 million on

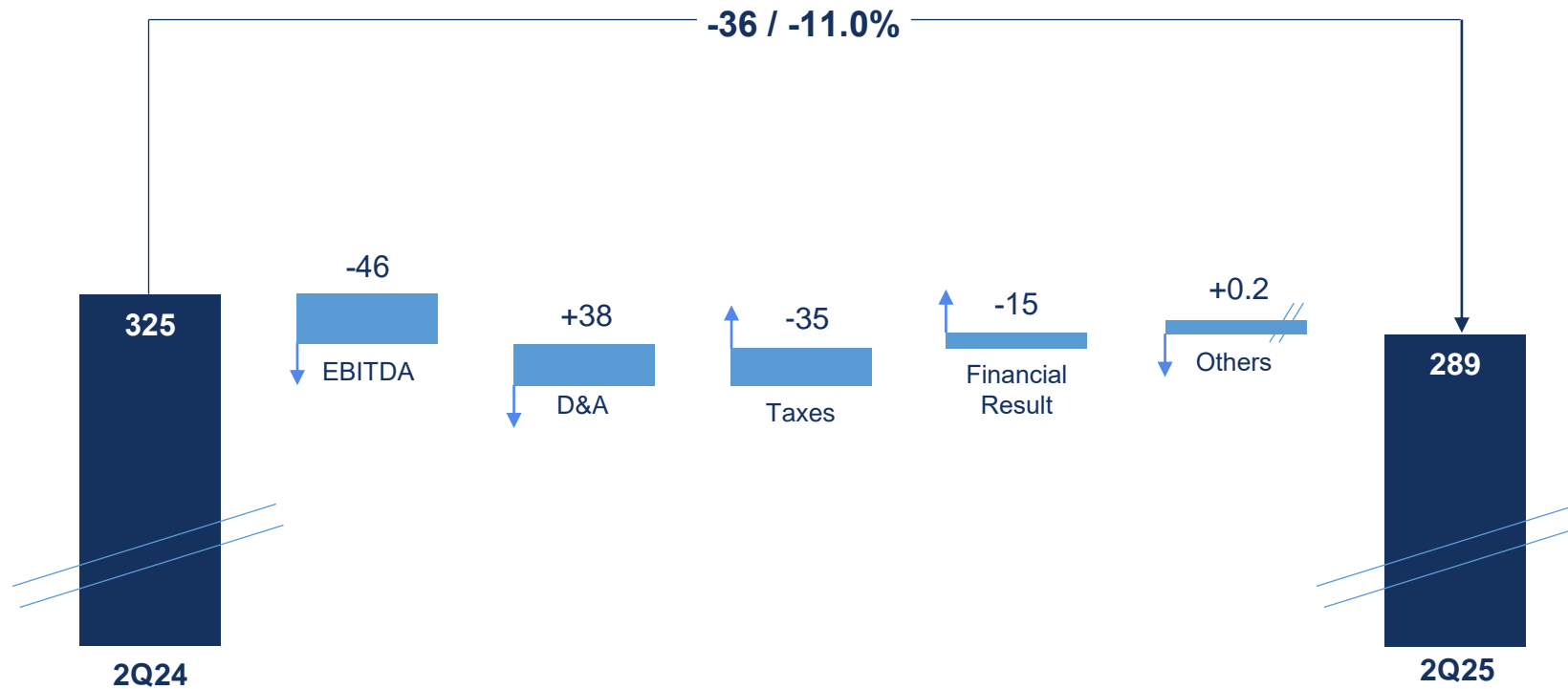
### Costs and other expenses:

- ❑ Service adjustment and expansion, along with BRL 9 million in non-recurring expenses

# Net Income (2Q24 vs. 2Q25)

Performance Impacted by Lower EBITDA and Higher Depreciation

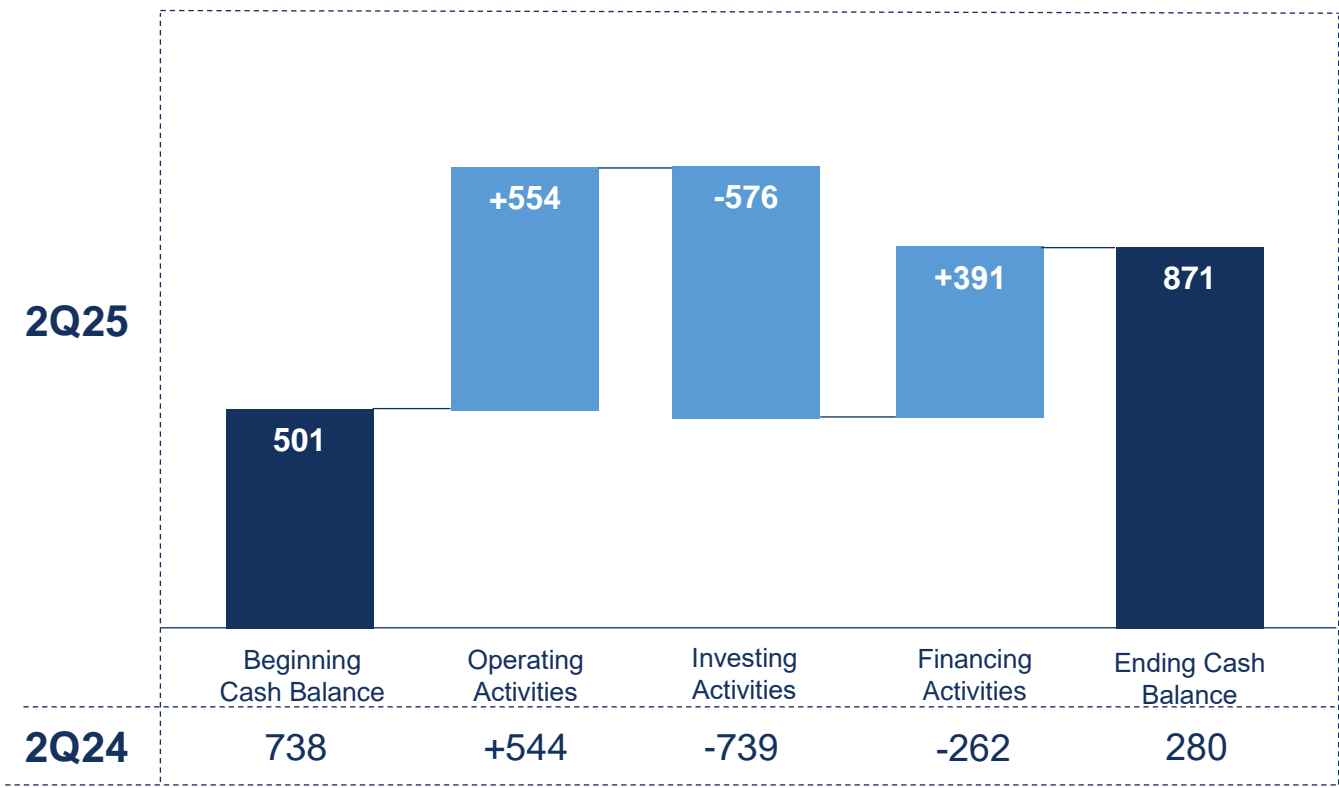
(BRL million)



# Cash Flow – 2Q25

BRL 554M in Operating Cash Flow

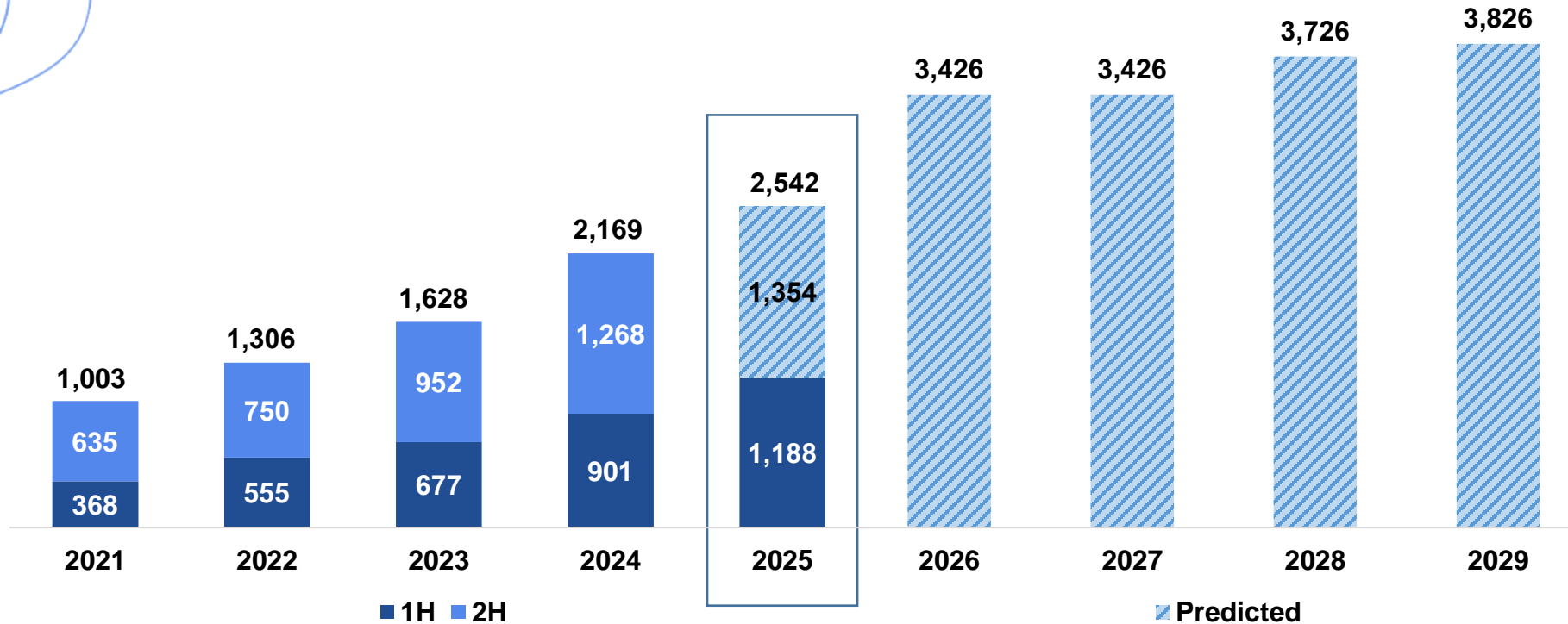
(BRL million)



# Investment Program

Investments rose 32% in 1H25, reaching BRL 1.2B

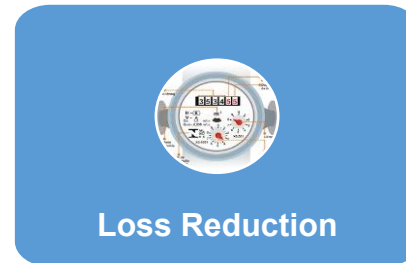
(BRL million)



## Universalization

- Water: > 99%
- Sewage: 78.2%

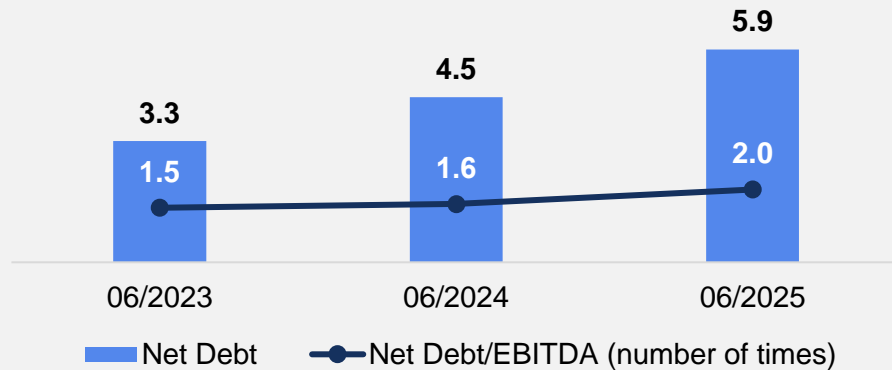
## Investment Focus



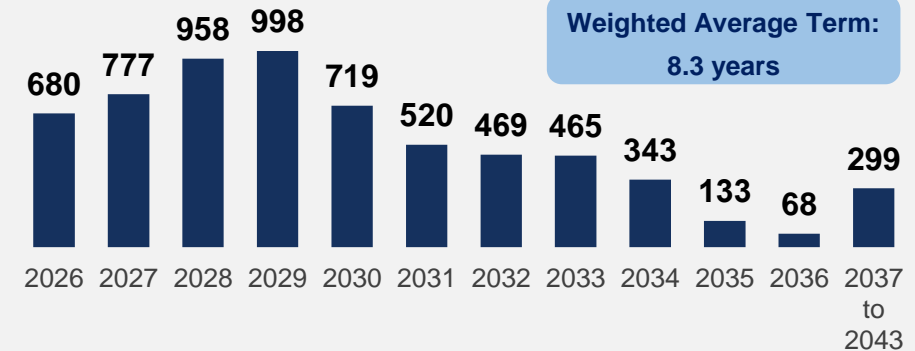
# Indebtdness

Leverage at 2x, with a well-structured amortization schedule

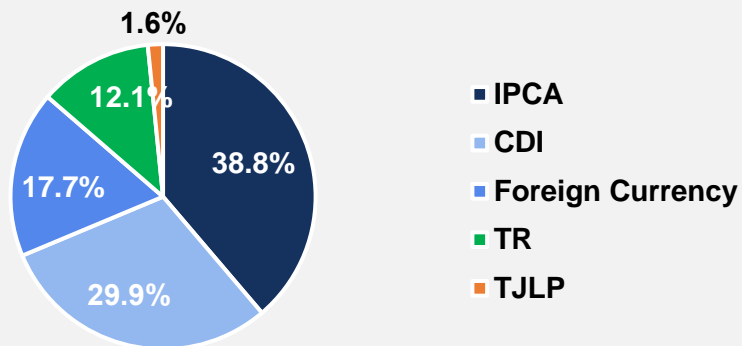
## Leverage and Net Debt (BRL billions)



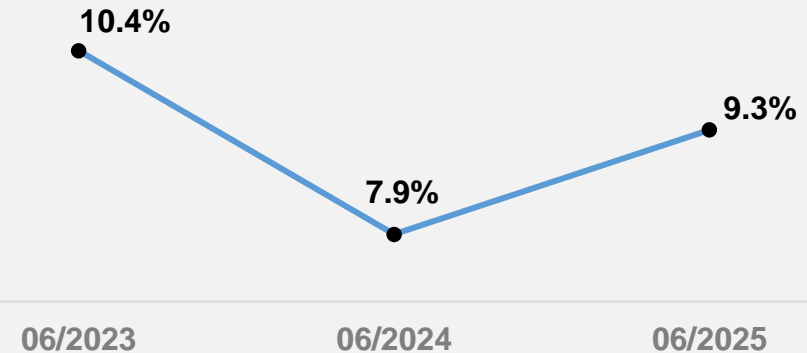
## Amortization Schedule (BRL millions)



## Debt Indexers (06/2025)



## Average Coupon



### Ratings – National Scale

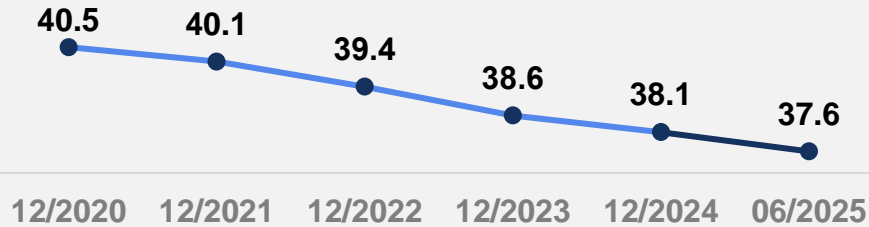
- Moody's: AAA.br – Stable (July/2025)
- Fitch: AAA(bra) – Stable (April/2025)



# Operational Indicators

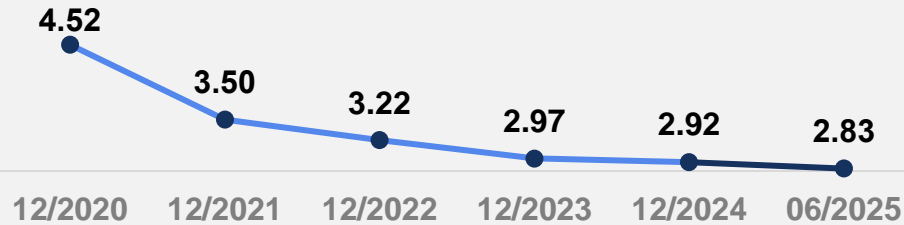
## Operational Indicators Demonstrate the Accuracy of the Actions Taken

### Distribution Loss Index (%)



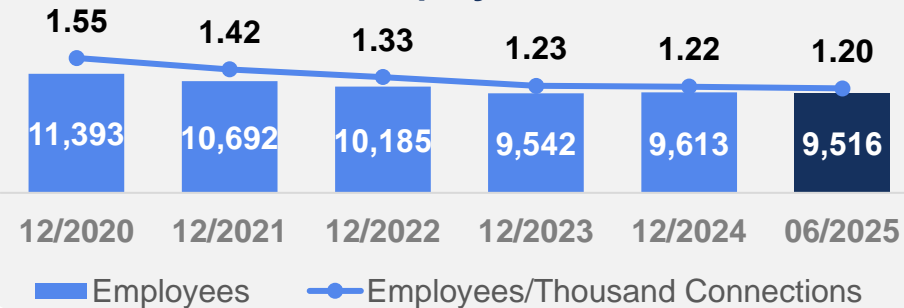
- Annual replacement of ~20% of water meters
- Use of satellite technologies, specific algorithms, and equipment such as ground-penetrating radars, geophones, rods, and cameras in the search for non-visible leaks
- Contracting the replacement of ~350 km of water networks (BHMA)

### Delinquency (%)



- Mobile agencies in popular areas for debt negotiation
- Expansion of formal collection through credit reporting, protest, and legal action
- Negotiation with major strategic clients

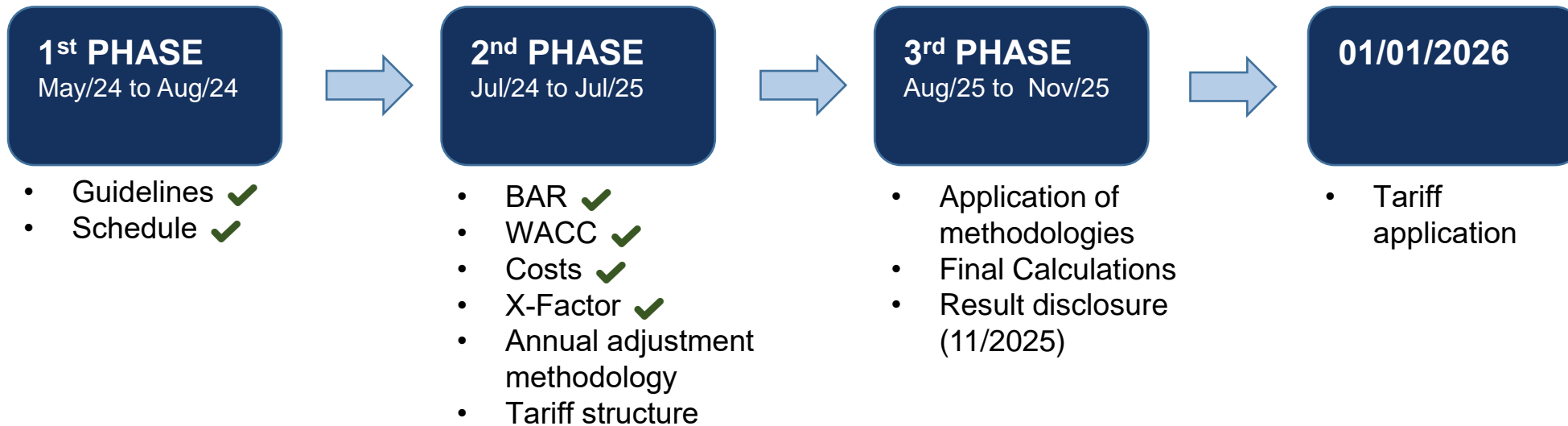
### Employees



- VSP programs implemented in 2021 and 2023
- Specific shutdowns

# 3rd Tariff Review (2026-2029)

Focus on the proper capital remuneration for universal access demand



## Key Advances:

- ☐ Increase of WACC from **7.924%** to **9.152%** (preliminary value)
- ☐ Annual recognitions of investments made throughout the cycle
- ☐ Parital sharing of efficiency gains



Q&A





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