

# Earnings Presentation 4Q24

March 25th, 2025





# STRATEGIC BUSINESS PERSPECTIVE

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CEO





# Highlights



**641 million Adjusted EBITDA in 4Q24 (36.0%) and 2.8 billion in 2024 (39.7%)**



**906 million in dividends distributed in 2024. *Dividend Yield* of 11.5%<sup>1</sup>**



**The highest CAPEX in history: 2.2 billion (+33.2% vs. 2023)**



**2.92% default rate at the end of 2024, the lowest value in the historical series.**



**480 million in operational cash generation in 4Q24 and 2.1 bilhões in 2024**



**38.1% losses in December 2024, a reduction of 0.5 percent points compared to the previous year**





# Advancing on strategic pillars with a focus on value creation

## Competitive Management



- Redesign of CAPEX Management Model
- Organization and people
- Advanced data analysis

## Universalization



- Coverage Index: water (> 99%) and sewage (77.3%)
- Investment program: 16.9 billions (2025 to 2029)

## ESG Agenda

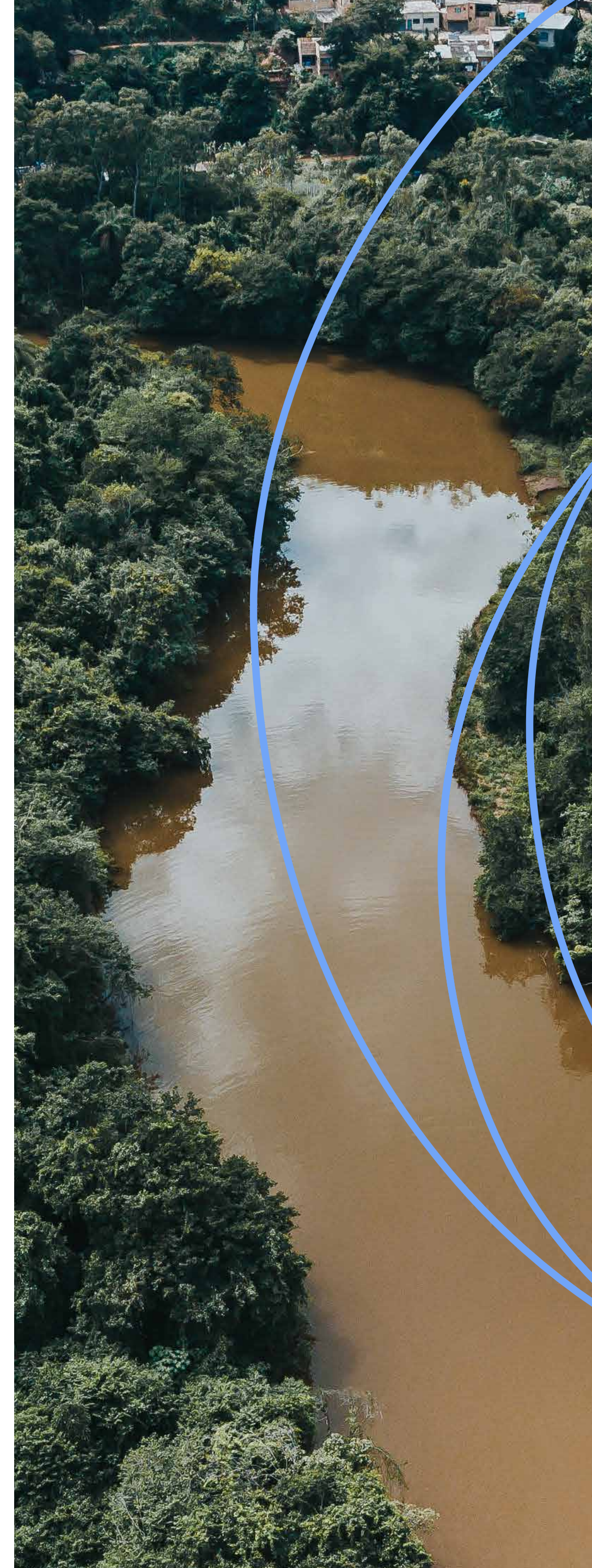


- Social tariff
- Pro-Mananciais program
- Engajar para Transformar program
- Concessão de subvenções program, included in the tariff in 2024

## Customers



- Reading and measurement quality
- Customer relationship





# Adequate capital remuneration with a focus on universalization

## Schedule of the 3<sup>rd</sup> Tariff



### 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 (under public consultation)





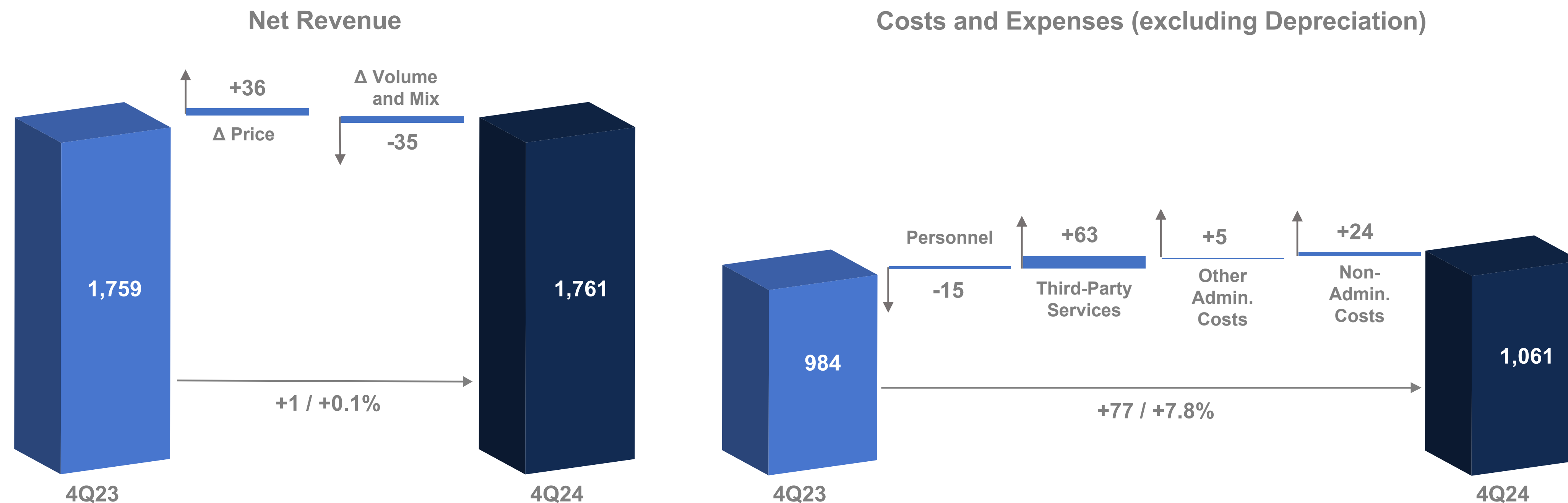
# QUARTERLY AND ANNUAL RESULT

Adriano Rudek de Moura  
CFO



# Financial performance: quarterly overview

(R\$ million)



**Δ Volume and Mix: -2.0%.** In Q4 2023, the volume was driven by the intense heat and longer consumption period

**Δ Price:** adjustment of 4,21% (01.2024)

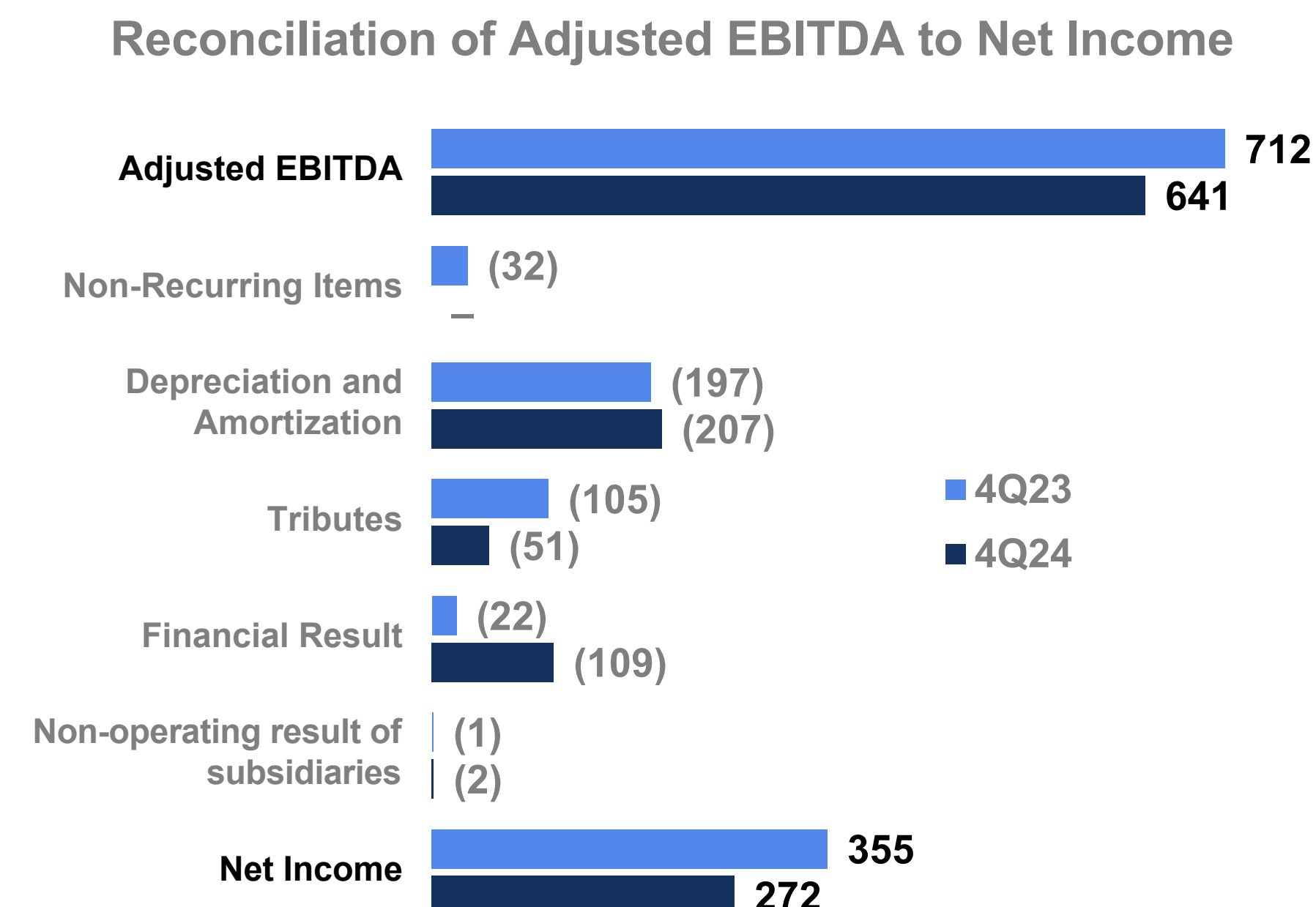
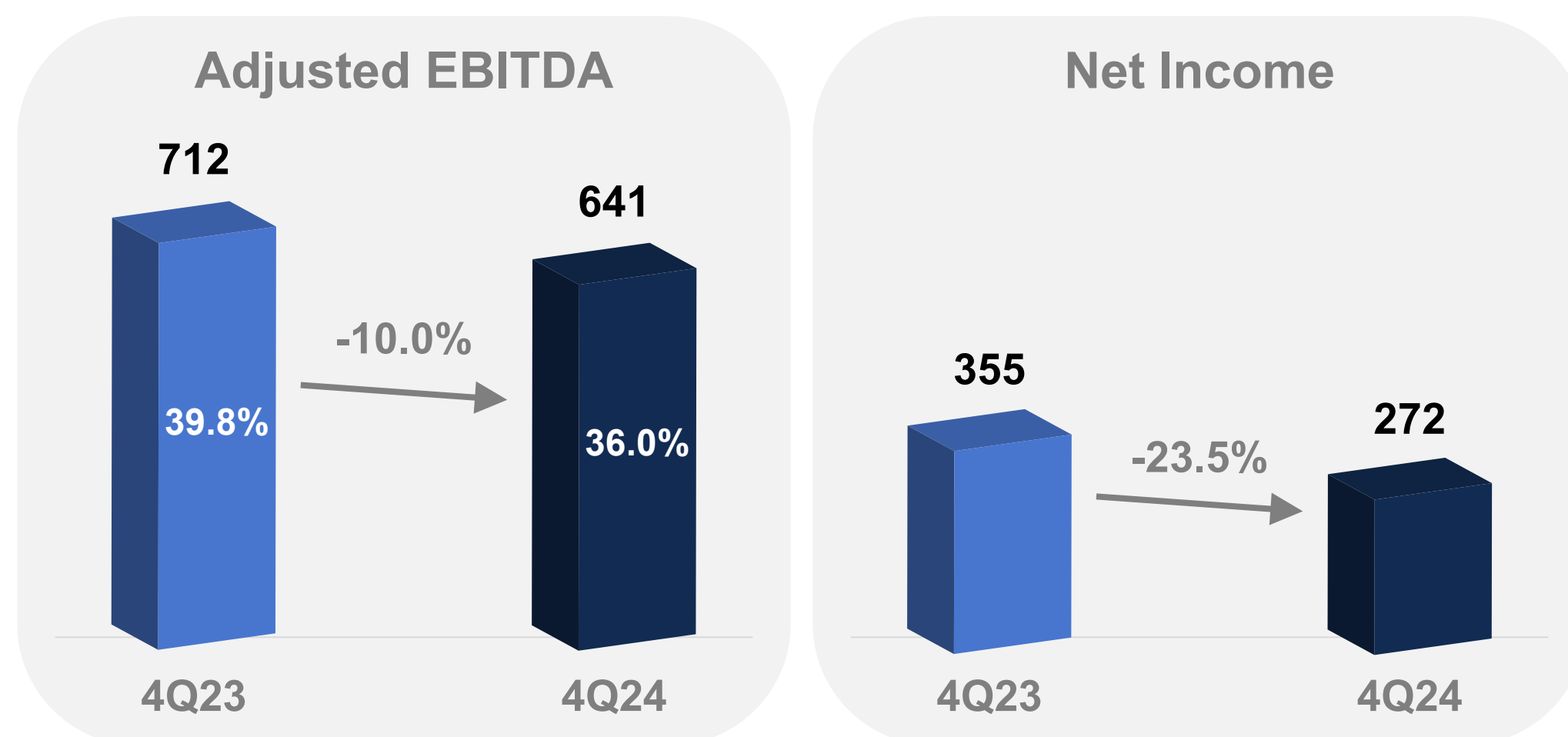
**Personnel: -3.3%** - reduction in overtime (↑), reduction in profit sharing (↑), collective labor agreements (↓)

**Third-Party Services: +34.7%** - adjustments and expansion

**Non-Manageable Costs: +12.2%**

# Financial performance: quarterly overview

(R\$ million)

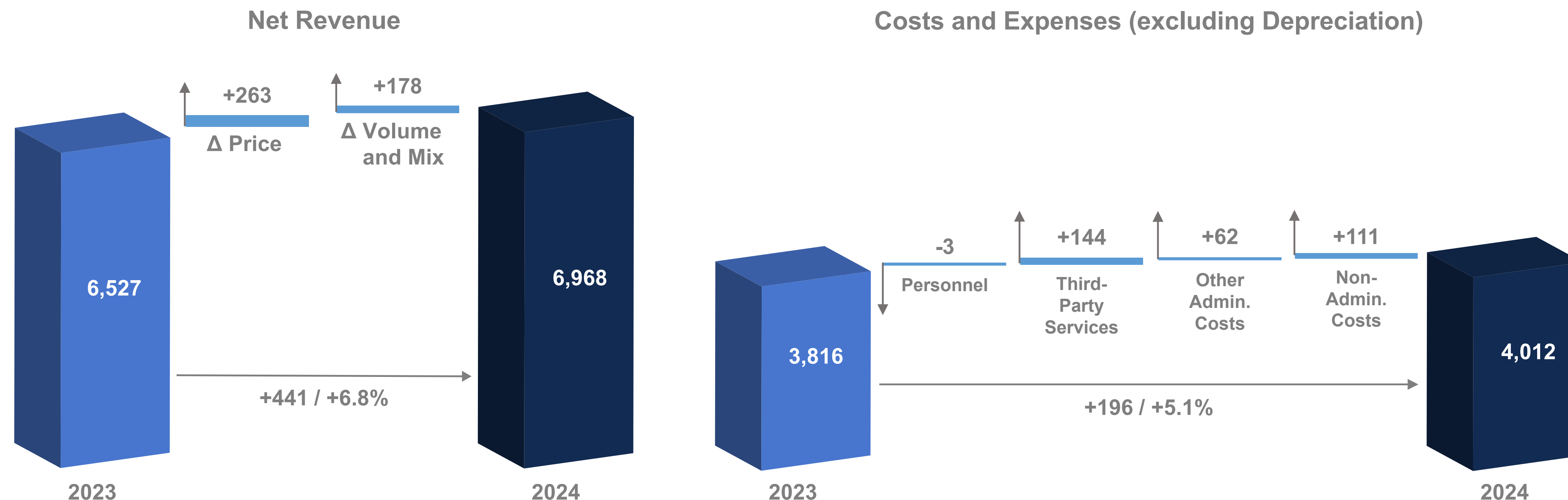


- Net revenue for Q424 in line with Q423
- Increase in costs by 7.8% quarter-over-quarter
- Financial result for Q424 was affected by increased debt and currency depreciation, with impacts of 59



# Financial performance: annual overview

(R\$ million)



**Δ Volume: +2.5%.**

**Δ Price:** adjustment of 4.21% (01.2024)

**Personnel: -0.2%** - reduction in the average number of employees (↑), reduction in overtime hours (↑), reduction in profit sharing (↑), collective labor agreements (↓)

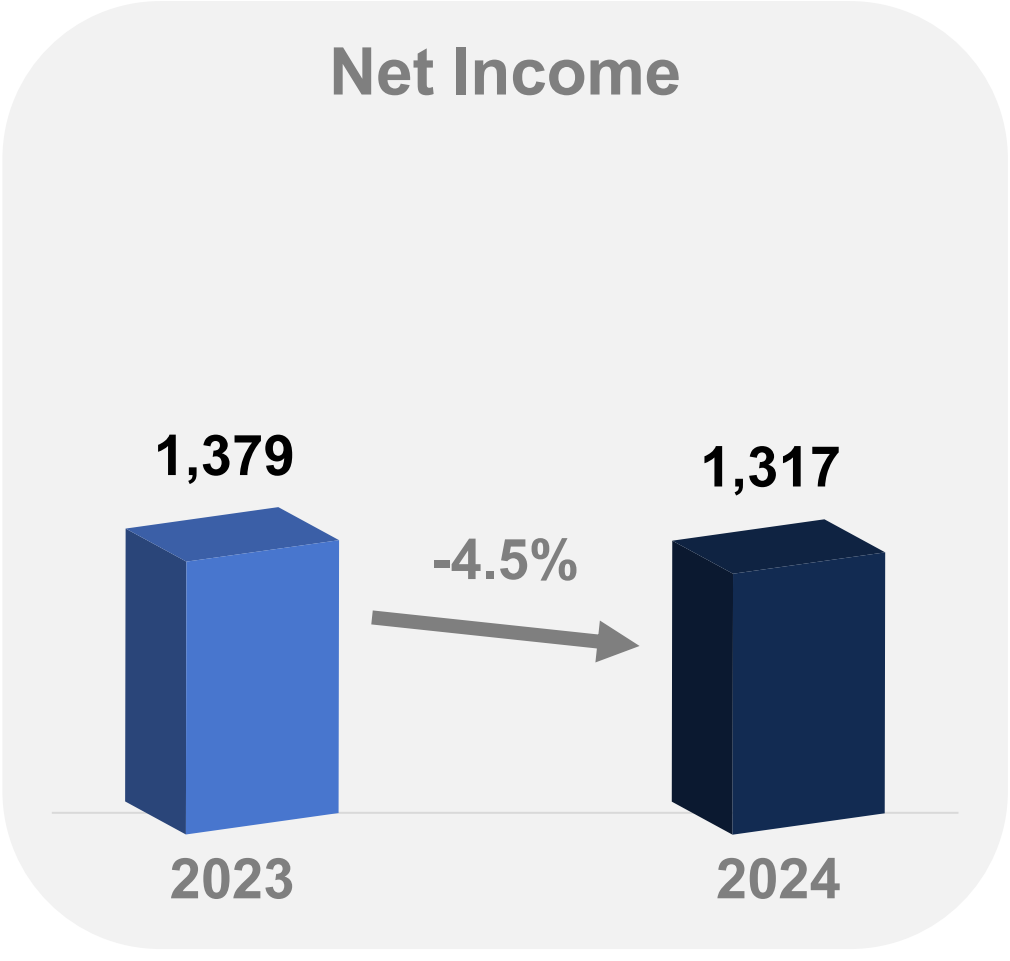
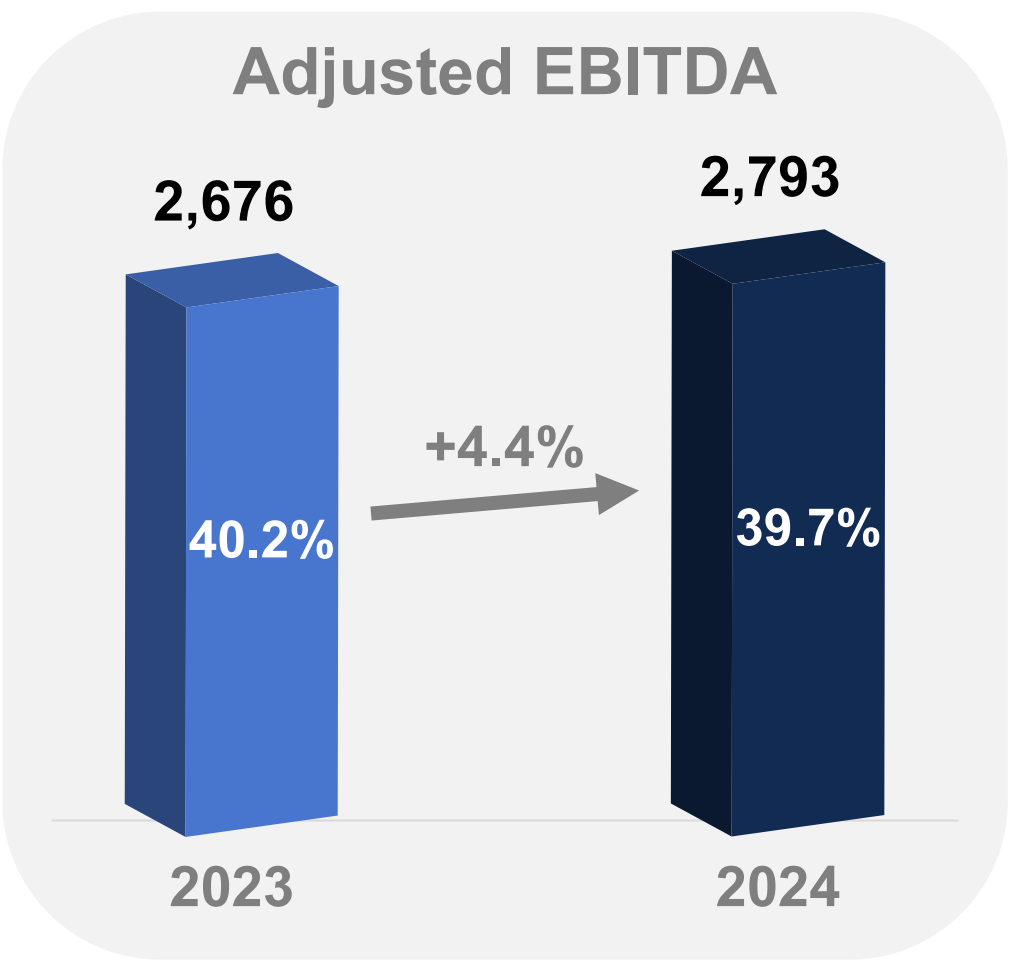
**Third-party services: +20.7%** - adjustments and expansion

**Non-manageable costs: +15.7%**

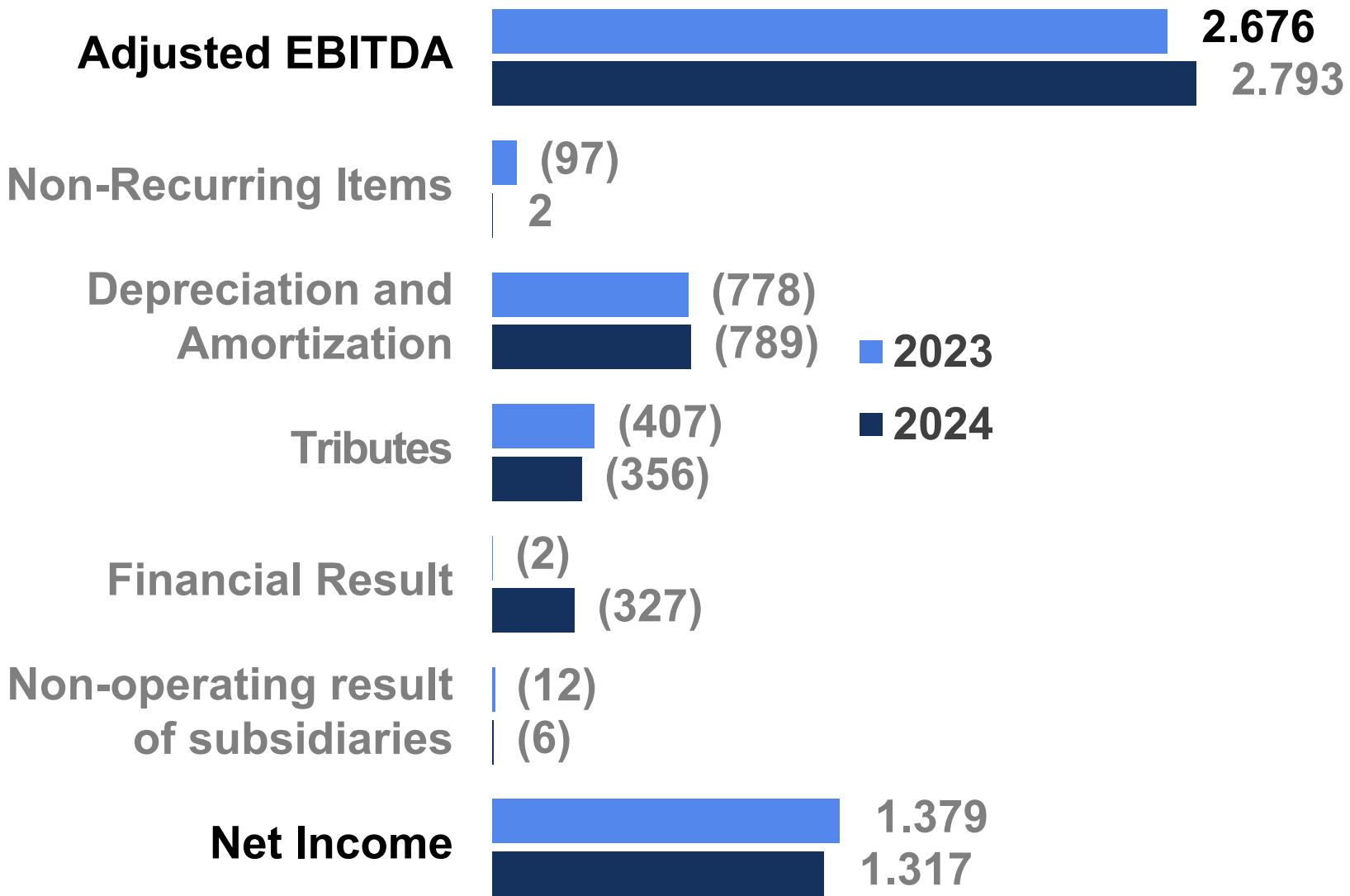


# Financial performance: annual overview

(R\$ million)



## Reconciliation of Adjusted EBITDA to Net Income

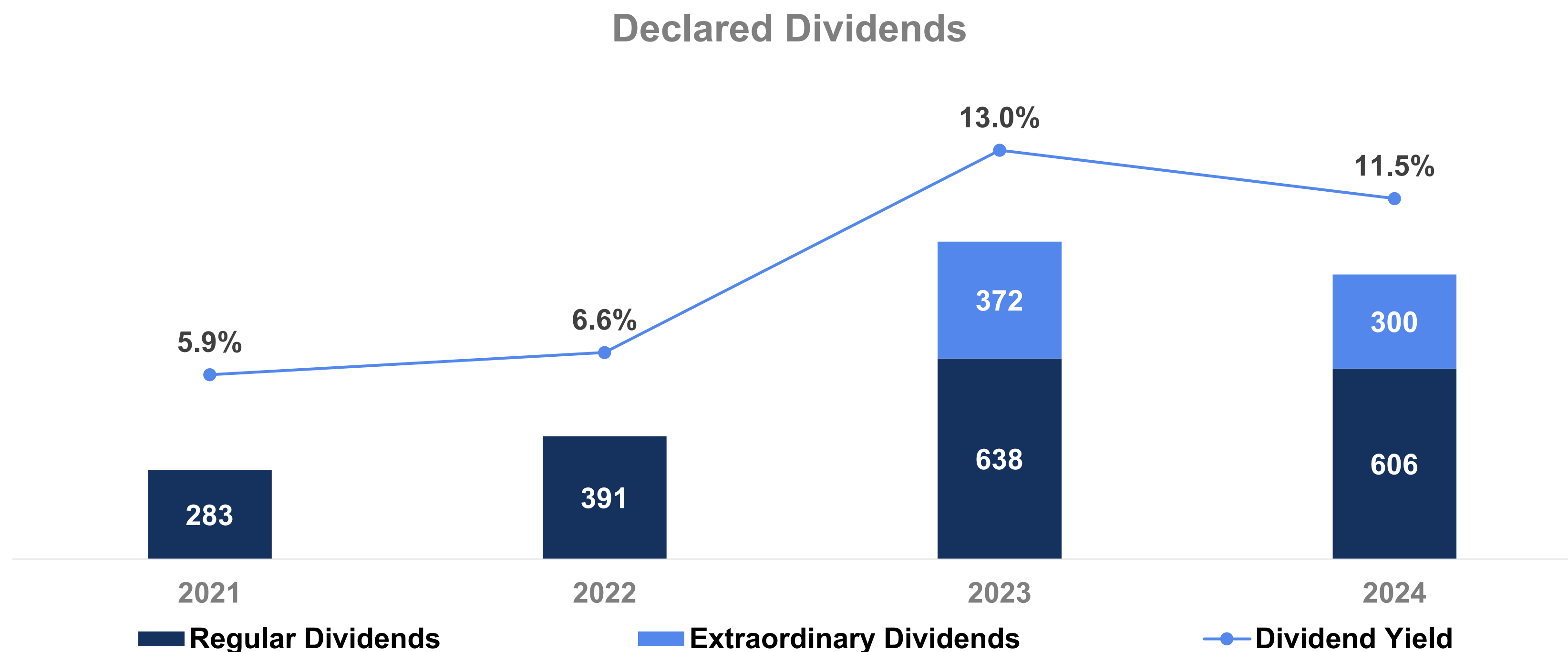


- Increase in net revenue by 6.8% year-over-year
- Increase in costs by 4.5% year-over-year
- Financial result for 2024 was affected by increased debt and currency depreciation, with impacts of 189



# Consistent Dividends

(R\$ million)



## Regular Dividends

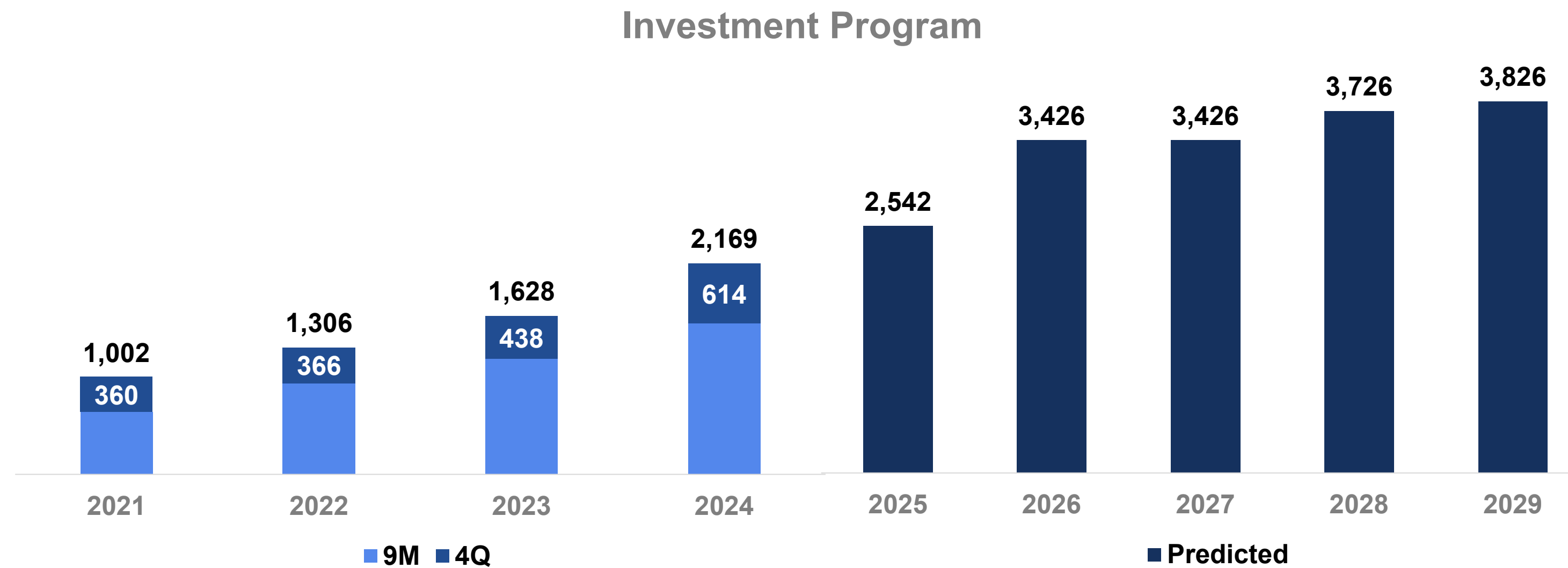
**2024:** 452 paid and 154 (payment date to be determined at the Annual General Meeting)

**2025:** 50% of Net Income



# Record investments focused on universalization, strengthening operations, and increasing the asset base

(R\$ million)



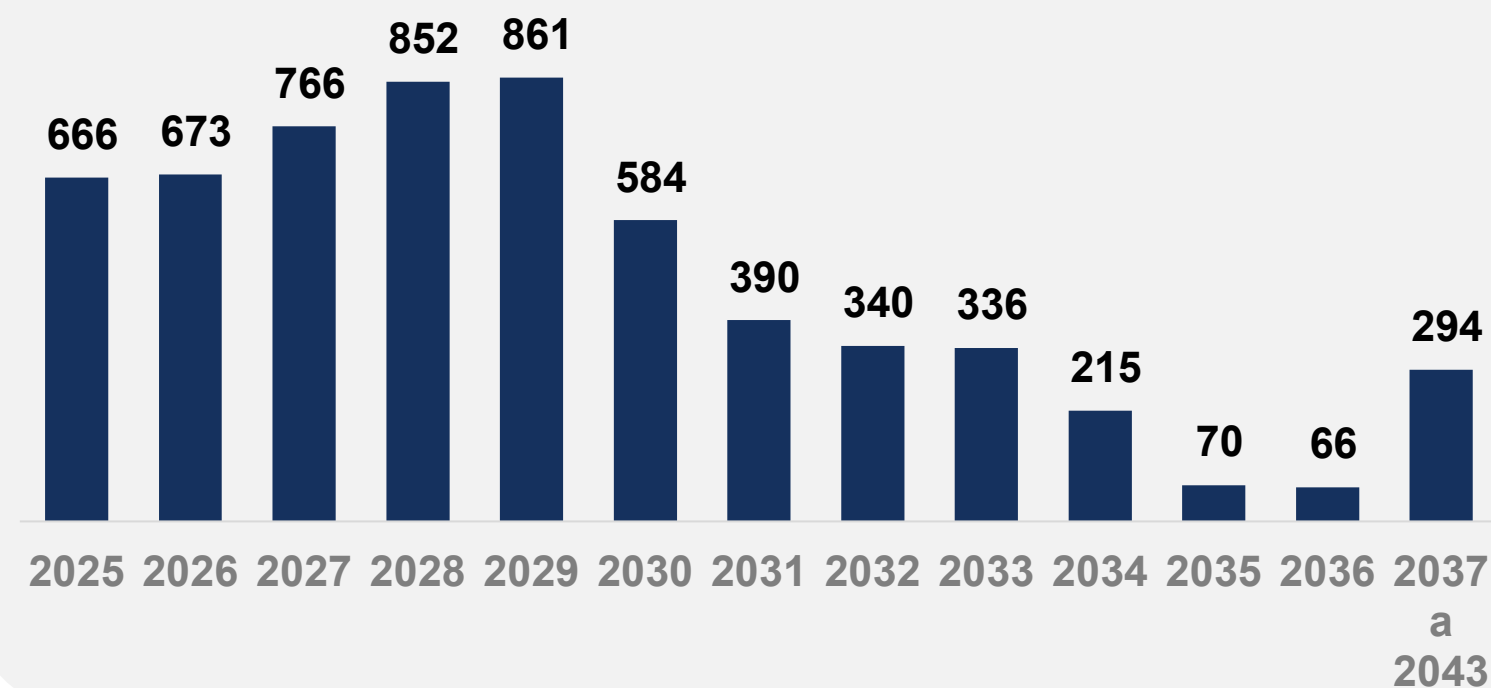
## Focus of Investments



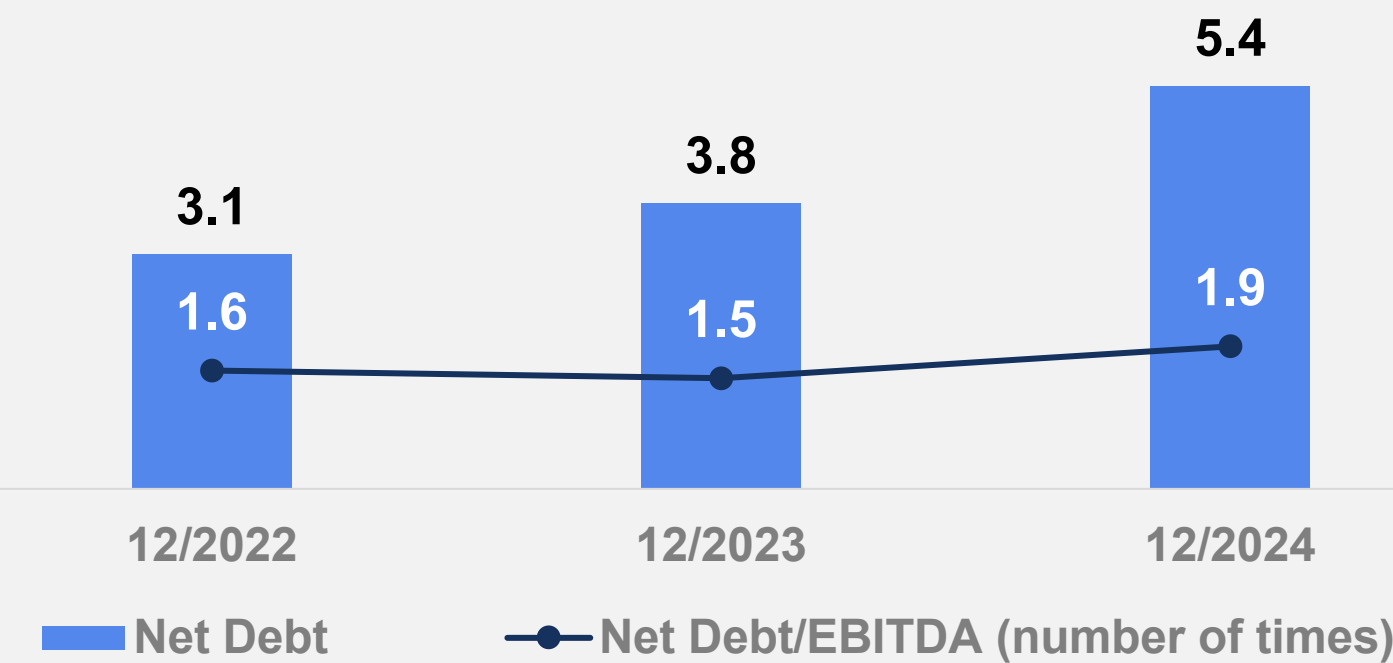


# Amortization schedule compatible with cash generation

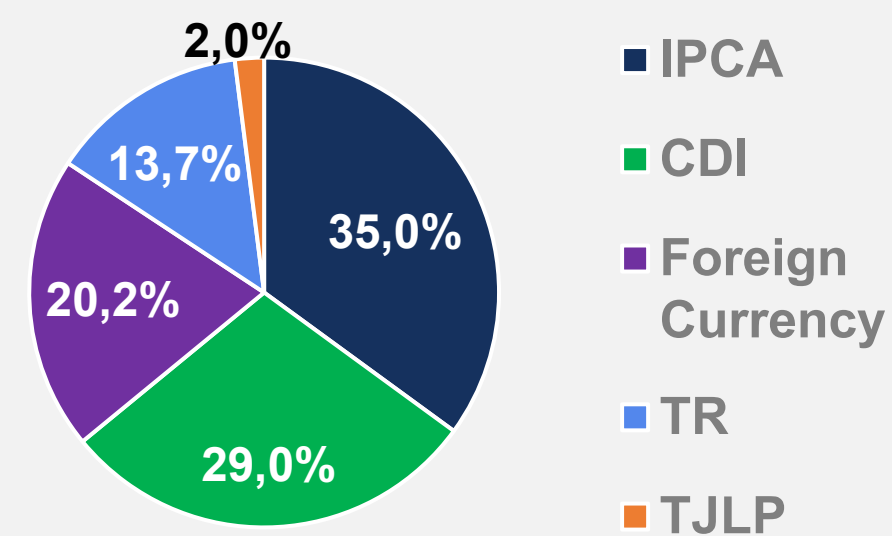
Amortization Schedule (R\$ million)



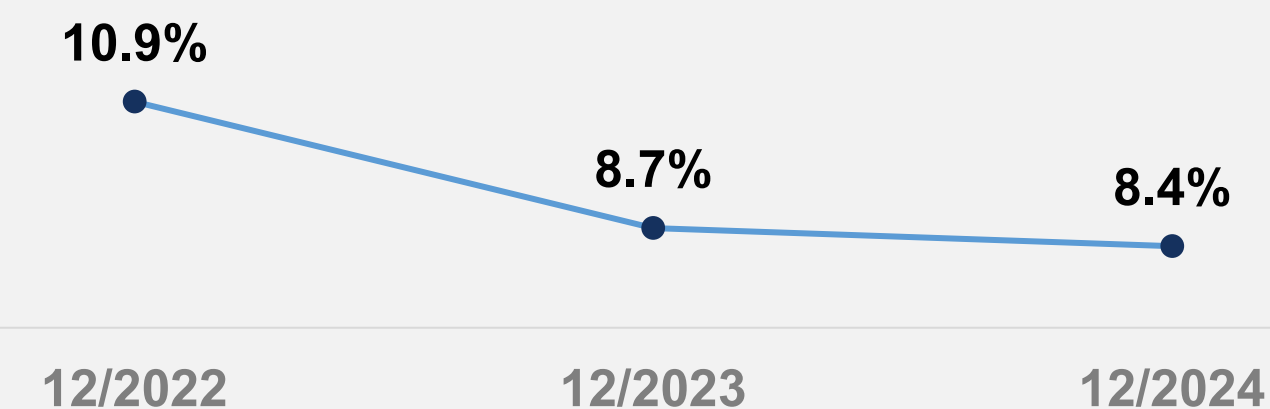
Leverage and Net Debt (R\$ billions)



Debt Indexers



Average Coupon



## Ratings – National Scale

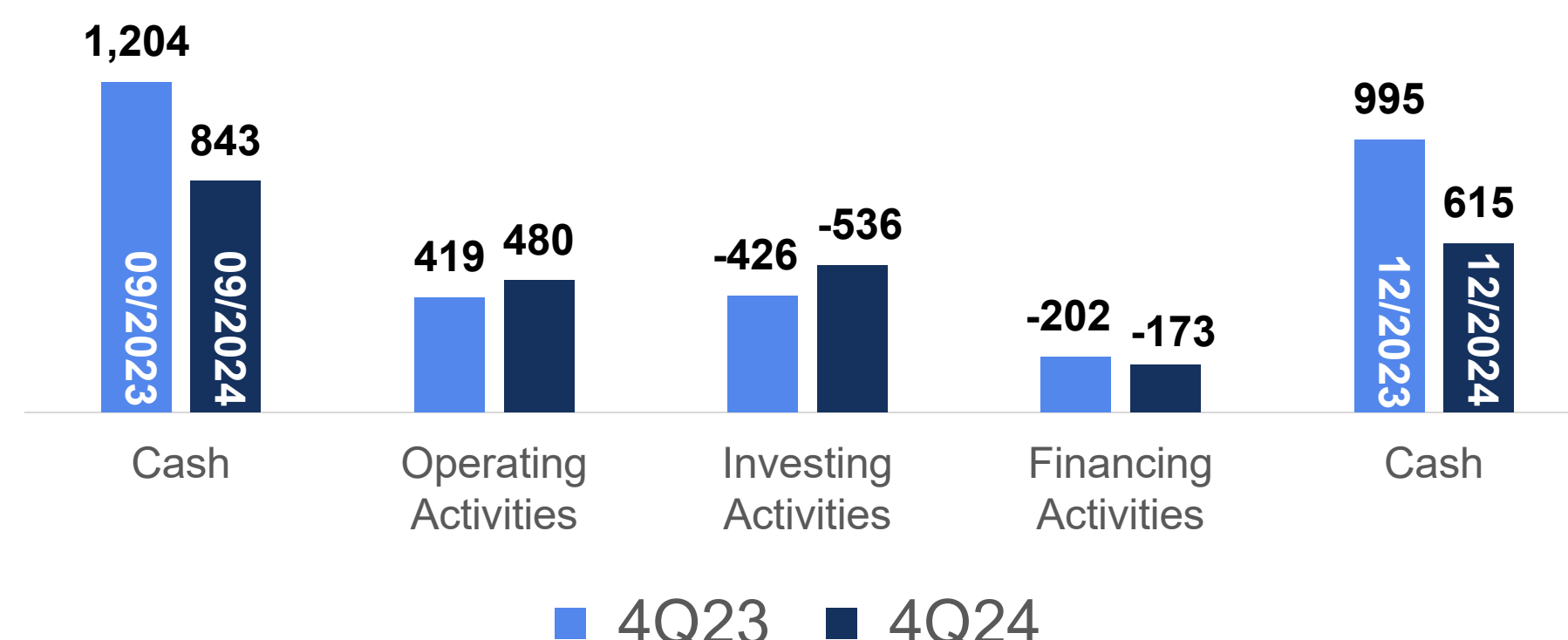
- Moody's: AAA.br – stable July/2024
- Fitch: AA+(bra) – positive – June/2024



# Operational Cash Generation

(R\$ million)

Quarterly Cash Flow

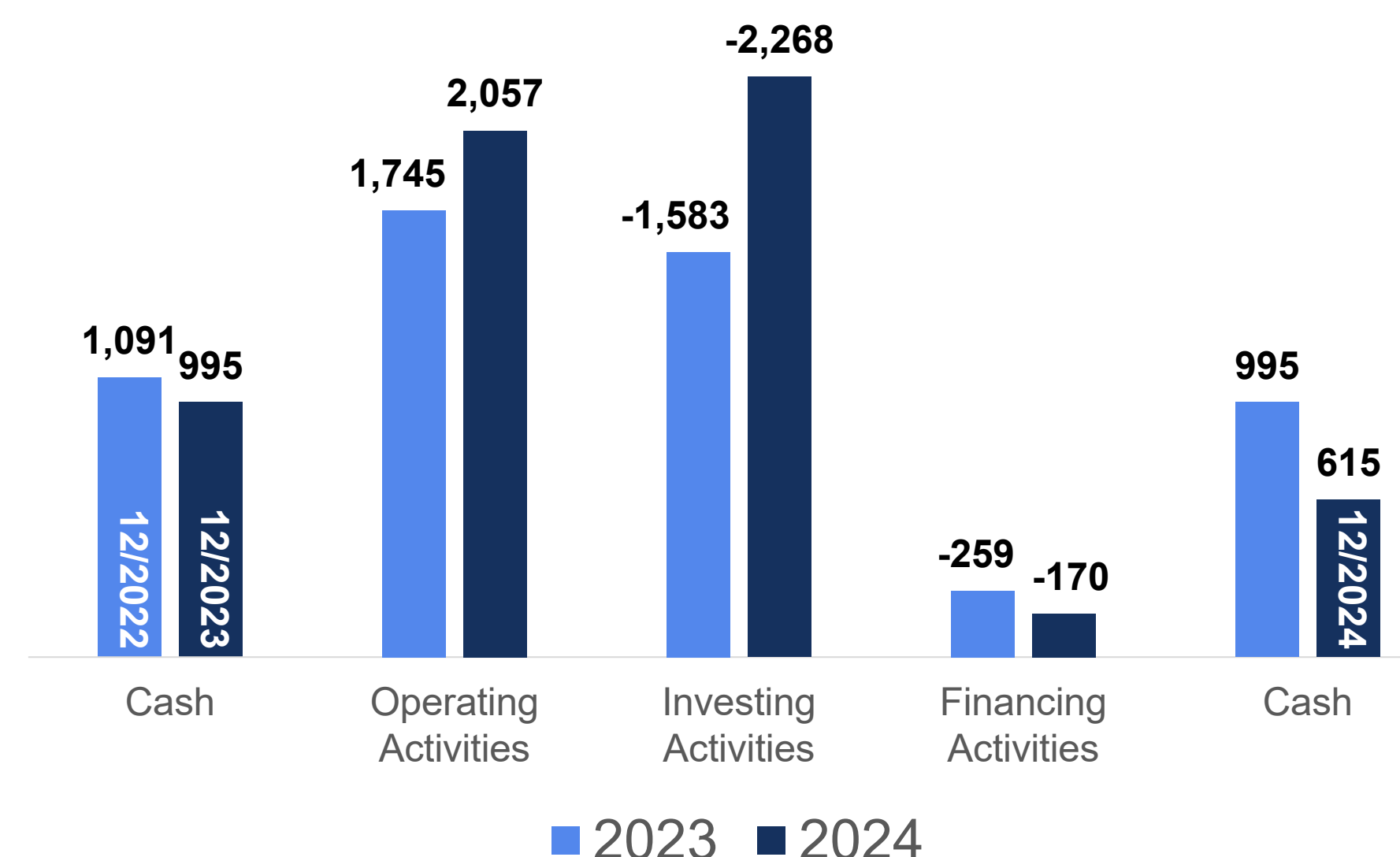


**Operating Activities:** net income (-83); monetary and exchange variation (+67); deferred Income and Social Contribution Taxes (+32); VSP and retirement benefits (+59); interest and taxes paid (-21)

**Investing Activities:** contract assets and intangibles (-149)

**Financing Activities:** financing and debenture inflows (-284); IoE and dividends paid (+305)

Annual Cash Flow



**Operating Activities:** net income (-62); monetary, exchange, and interest variation (+300); deferred Income and Social Contribution Taxes (-117); reversal of provisions (+282)

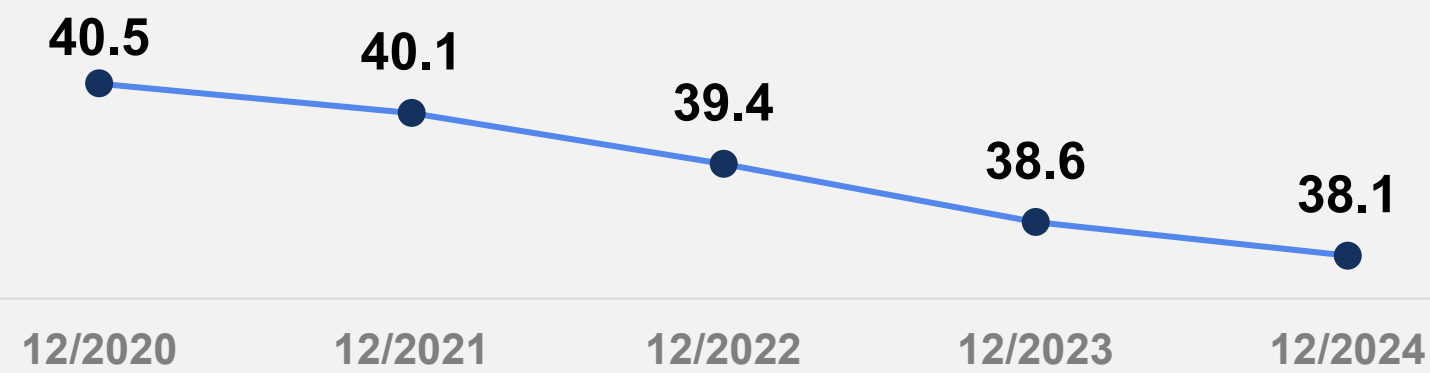
**Investing Activities:** contract assets and intangibles (-515)

**Financing Activities:** financing and debenture inflows (+258); debt amortization (+223); IoE and dividends paid (-380)



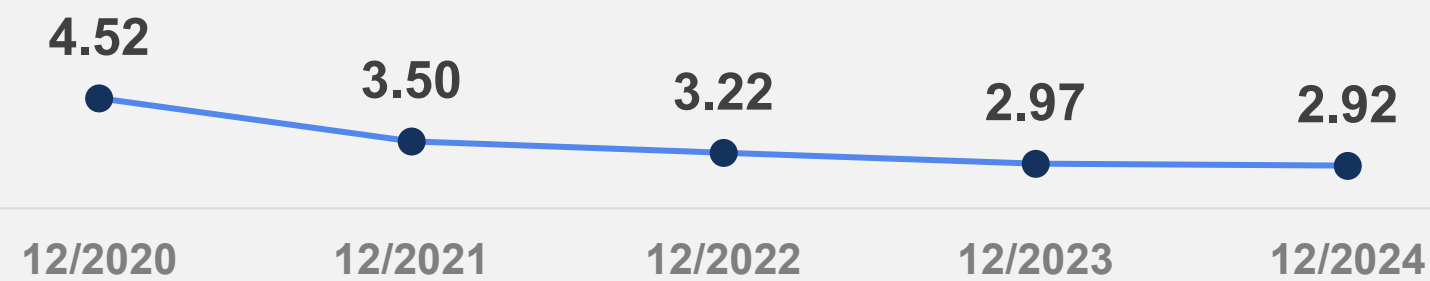
# Operational indicators demonstrate the assertiveness of the actions taken

Distribution Loss Index (%)



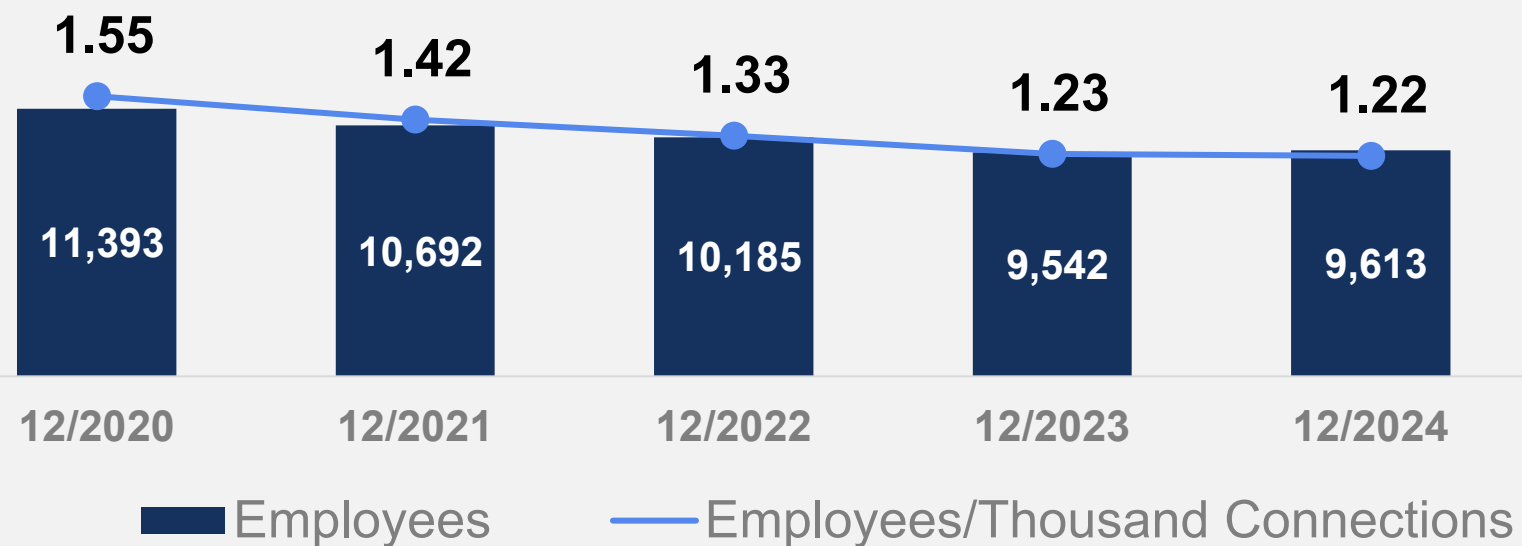
- Annual replacement of 20% of water meters
- Use of satellite technologies, specific algorithms, and equipment such as ground-penetrating radars, geophones, rods, and cameras in the search for non-visible leaks
- Contracting the replacement of 348 km of water networks (BHMA)

Delinquency (%)



- Specialized billing
- Expansion and structuring of the Commercial Intelligence Center
- New judicial collection

Employees



- Shutdown programs implemented in 2021 and 2023
- Specific shutdowns





Q&A





# DISCLAIMER

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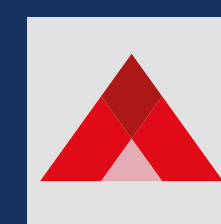


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