

# Earnings Presentation 1T25

May 15 – 2025





# Highlights – 1Q25



Upgrade of the Company's Rating by Fitch to **AAA(bra)** (04/17/25)



Record investments in Q1 2025: **543 million** in CAPEX and **853 million** in BAR



Maintenance in the **ISE** portfolio of B3



Regular dividends: **181 million** paid on 04/25/25 (Q1 2025) and **154 million** to be paid on 06/30/25 (Q4 2024)



Best quarterly EBITDA in history: **814 million** in Q1 2025 (**43.3%** margin)



Loss reduction to **37.5%** on 03/31/25 (**0.6 p.p.** vs. 12/24)



**561 milhões** de geração de caixa operacional no 1T25



**2.86%** delinquency in Q1 25, the lowest value in the historical series

# Value Creation Agenda

Main initiatives focused on asset base growth and efficiency gains

## Process-Oriented Organizational Restructuring

- ☐ Standardization and Specialization of Operational Units
- ☐ Implementation of the Shared Services Center (SSC)
- ☐ Implementation of the Strategic Project Management Office

## CAPEX Management

- ☐ Investment prioritization criteria focused on universal access, quality, water security, and business sustainability.
- ☐ Monitoring of investments by the Investment Projects Office (PMOI).
- ☐ Grouped and regionalized contracting for small-scale projects.
- ☐ End-to-end asset management operating transversally.

## Operational Efficiency

- ☐ Implementation of Zero-Based Budgeting for 2026

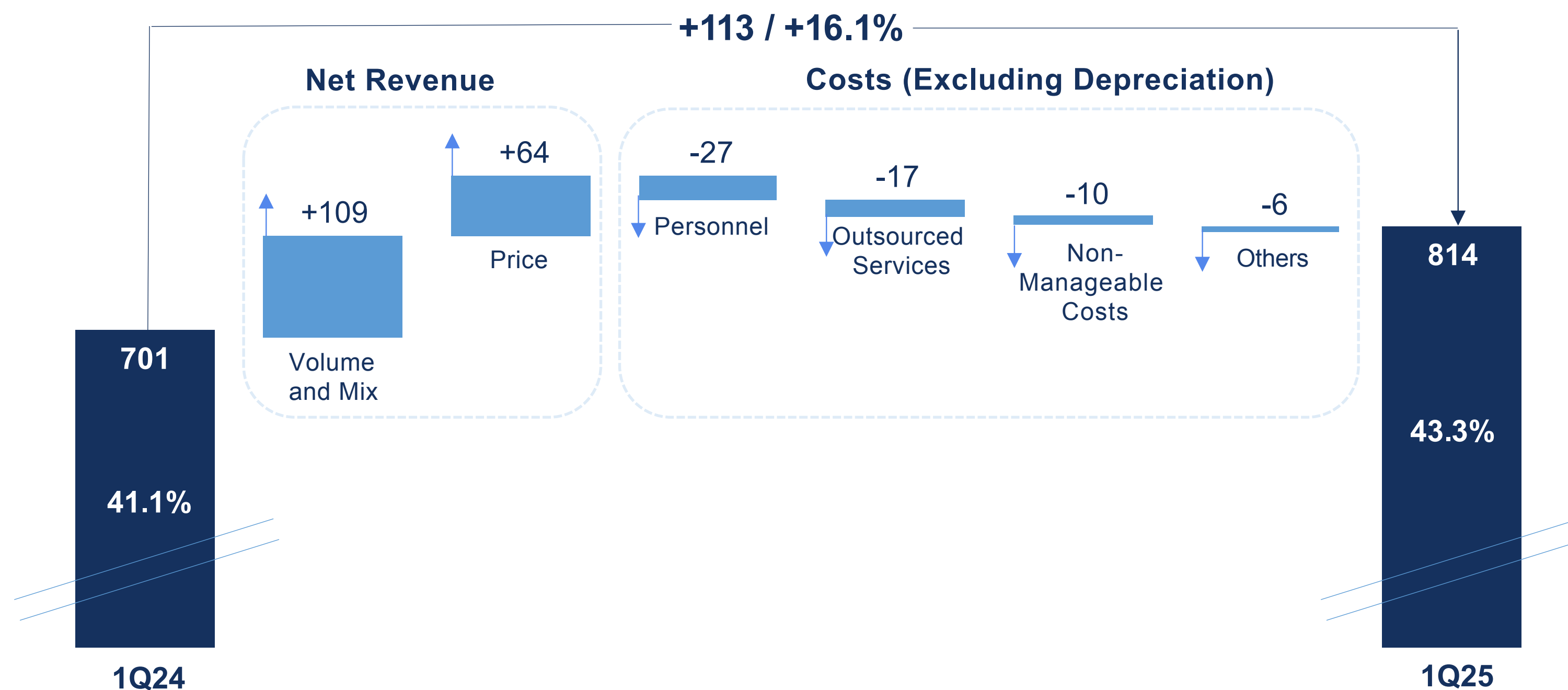




# EBITDA (1Q24 vs. 1Q25)

The best result in our history

(R\$ million)



## Net Revenue (+10.2% QoQ):

- Δ Volume and Mix: **+3.8%**
- Δ Price: readjust of **6.42%** (01.2025)

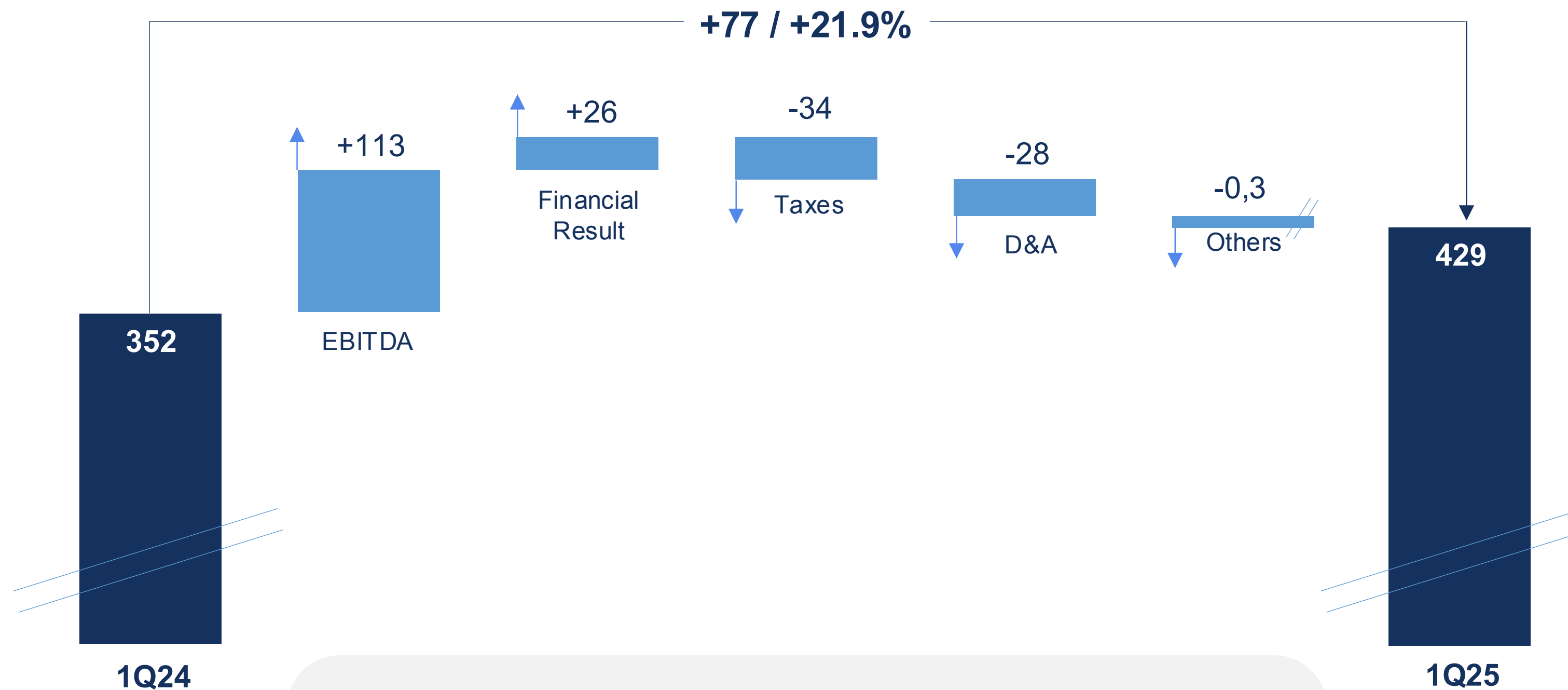
## Costs excluding depreciation (+4.7% QoQ):

- Personnel: **+6.7%**
- ❖ Salaries, Charges, and Benefits: **3.8%** (Collective Bargaining Agreement - ACT, Increase Due to Health Program, Reduction in Overtime and Number of Employees)
- ❖ Profit Sharing: **+84%**
- Outsourced Services: **+8.8%** (reajuste e expansão)
- Non-Manageable Costs: **+5.3%**

# Net Income (1Q24 vs. 1Q25)

Growth of ~22%, reaching 429 million

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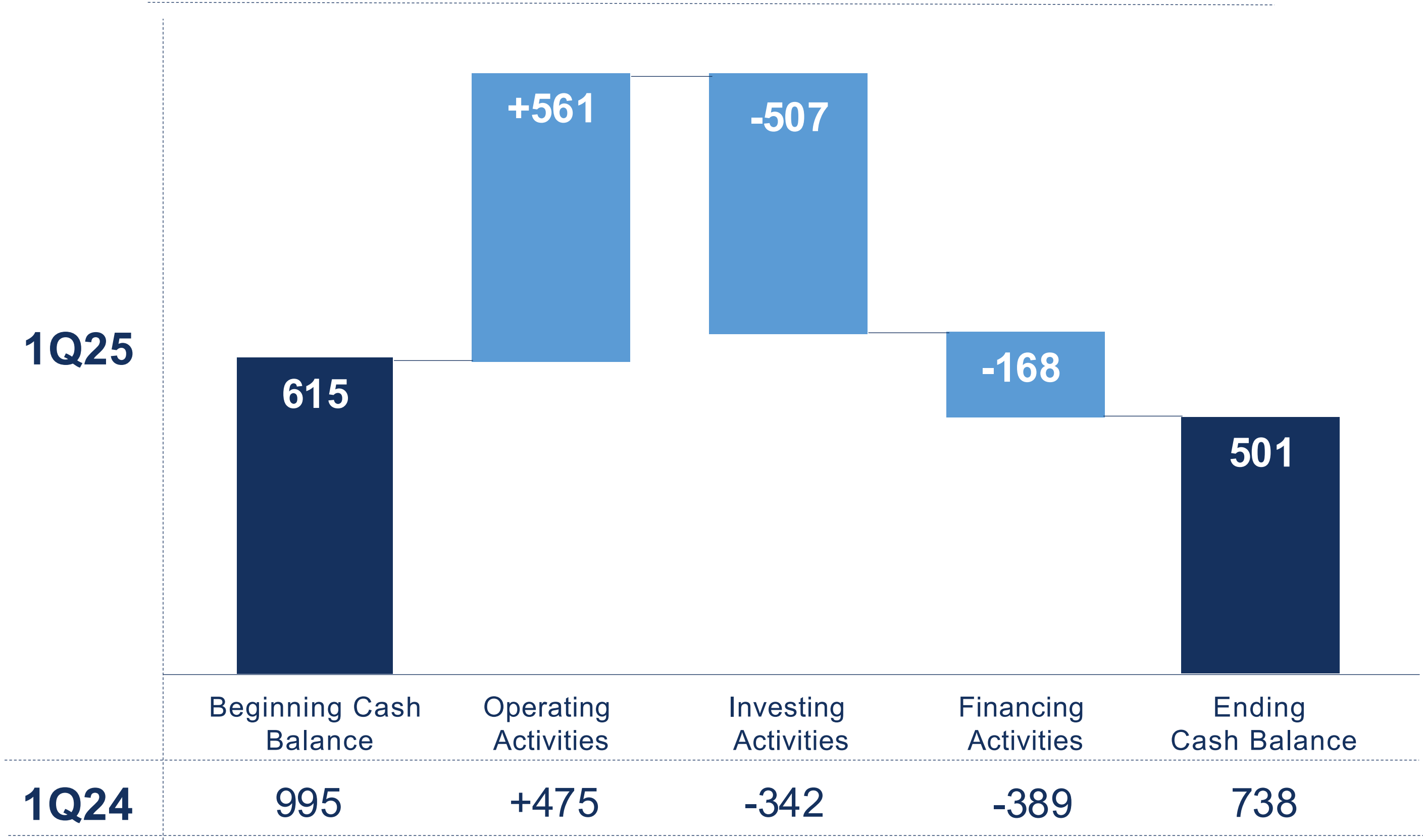


- ❑ EBITDA Growth of 16.1% QoQ
- ❑ Financial Result: Real appreciation against the Euro
- ❑ Taxes: higher taxable profit
- ❑ Depreciação e Amortização: increase in incorporations

# Cash Flow - 1Q25

Operating Cash Generation of 561 Million in 1Q25

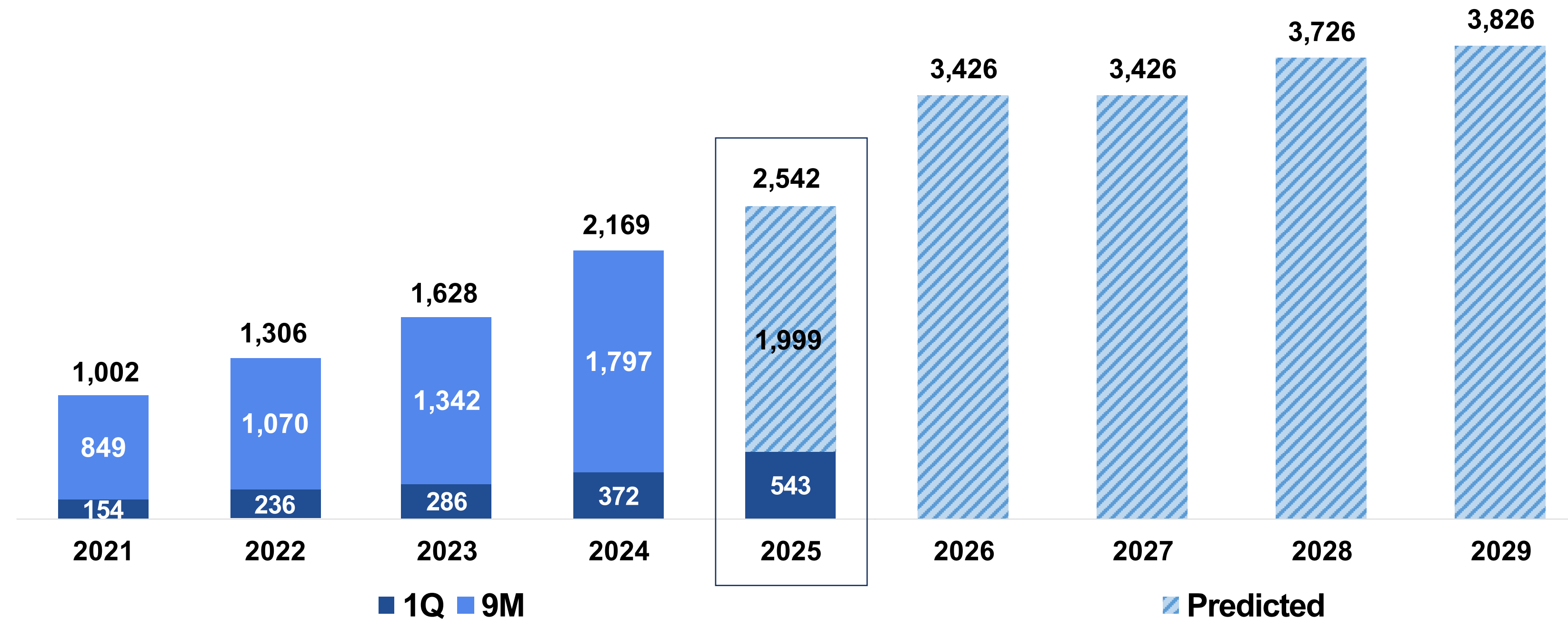
(R\$ million)



# Investment Program

Increase of 46% in investments made in 1Q25, totaling 543 million

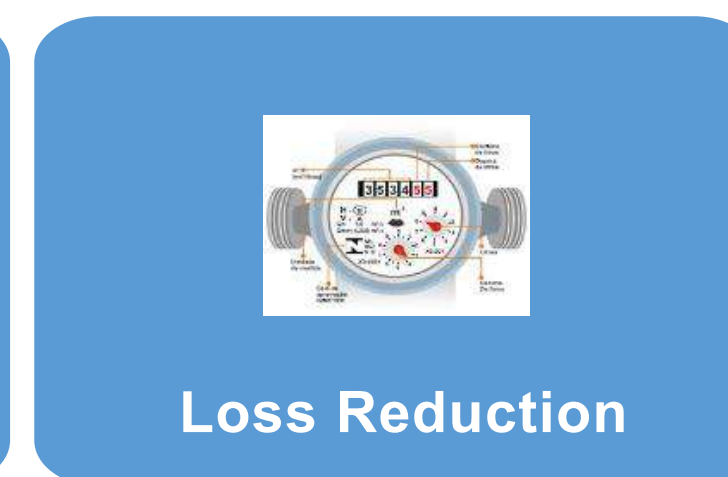
(R\$ million)



## Universalization

- Water: > 99%
- Sewage: 78.2 %

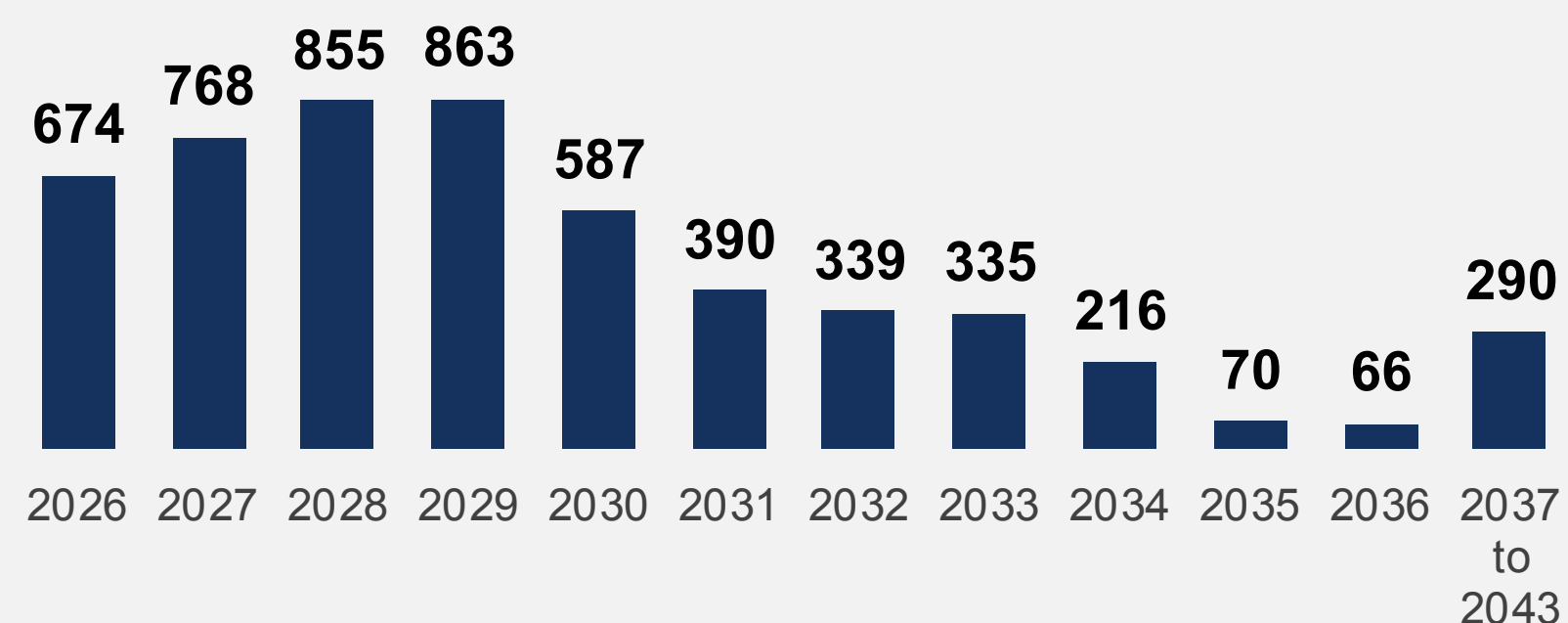
## Investment Focus



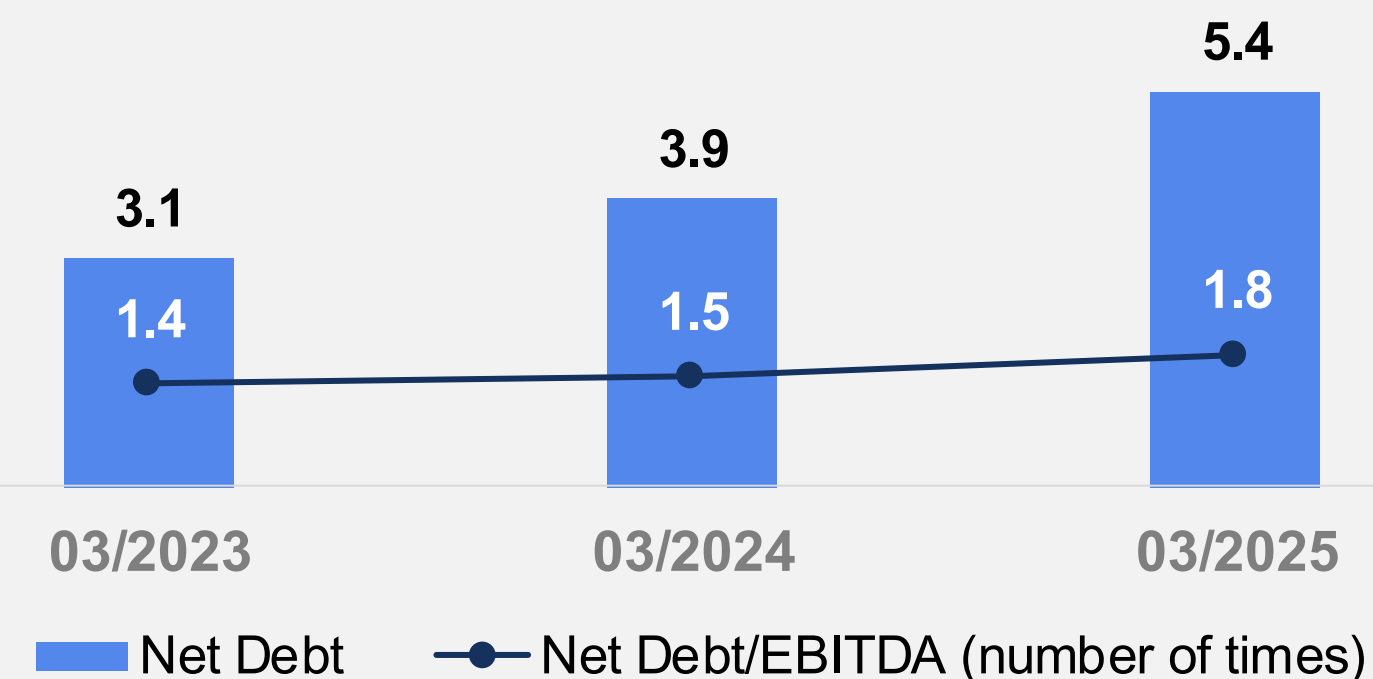
# Indebtdness

Leverage level below 2x with an appropriate amortization schedule

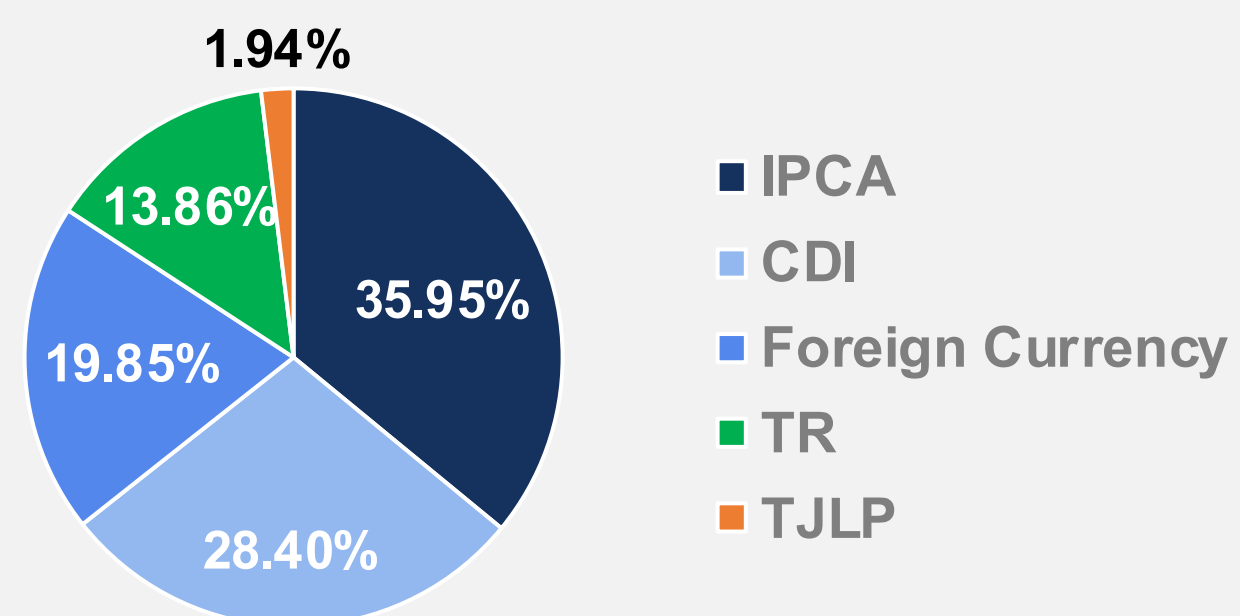
Amortization Schedule (BRL millions)



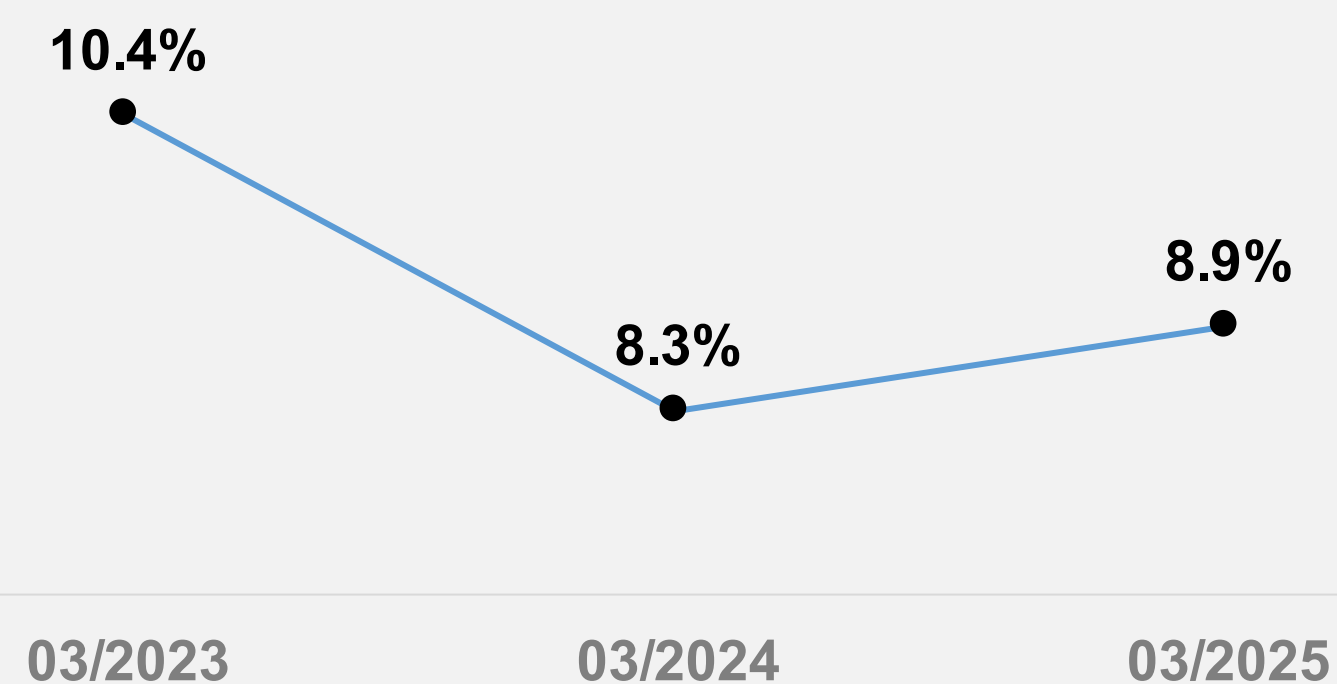
Leverage and Net Debt (BRL billions)



Debt Indexers (03/2025)



Average Coupon



## Ratings – National Scale

- Moody's: AAA.br – Stable – July/2024
- Fitch: AAA(bra) – Stable – April/2025

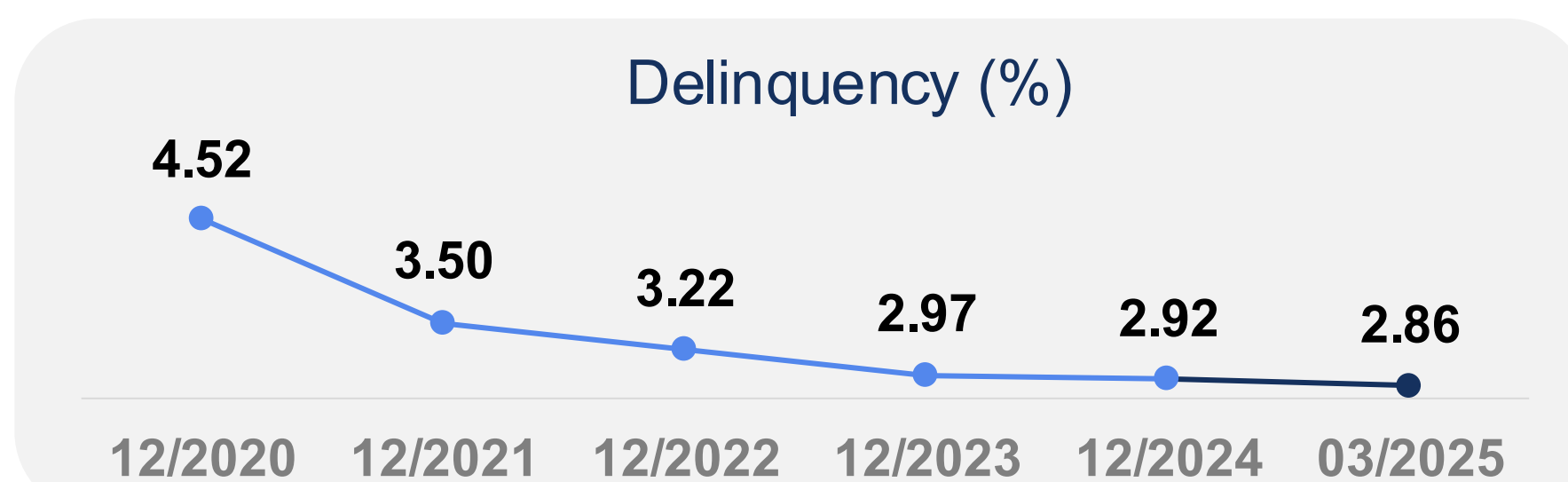


# Operational Indicators

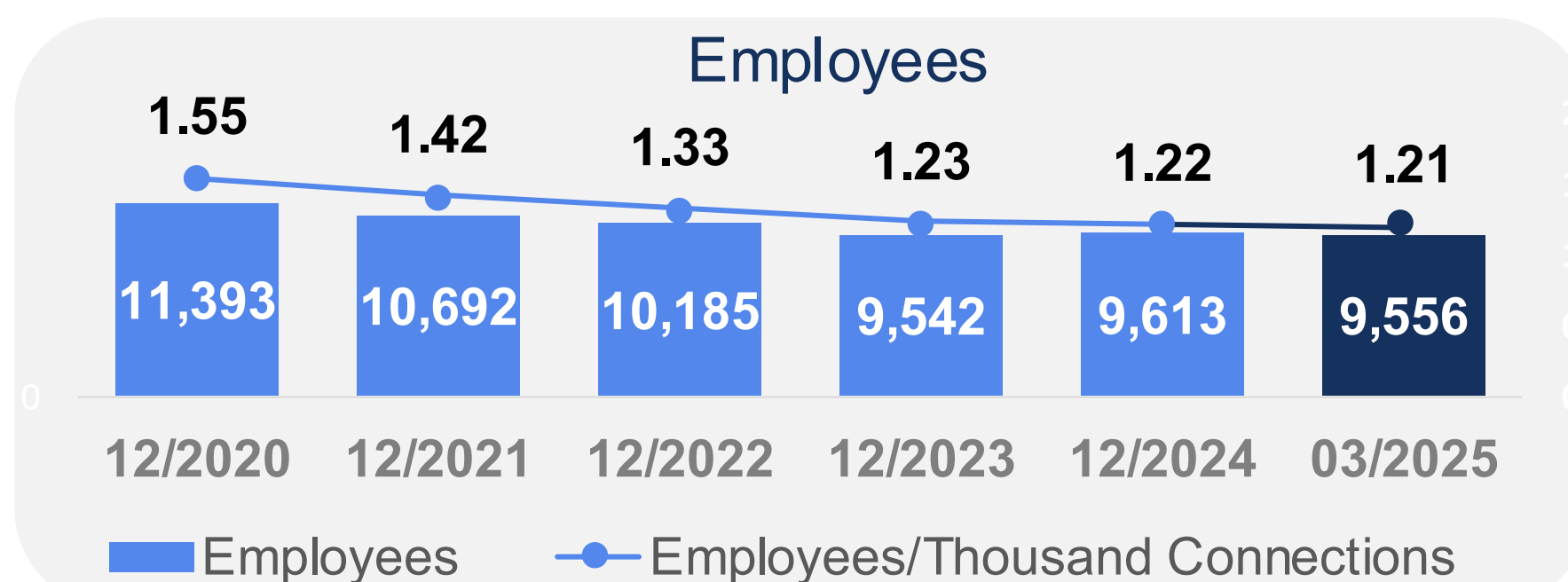
Operational Indicators Demonstrate the Accuracy of the Actions Taken



- ❑ 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)



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

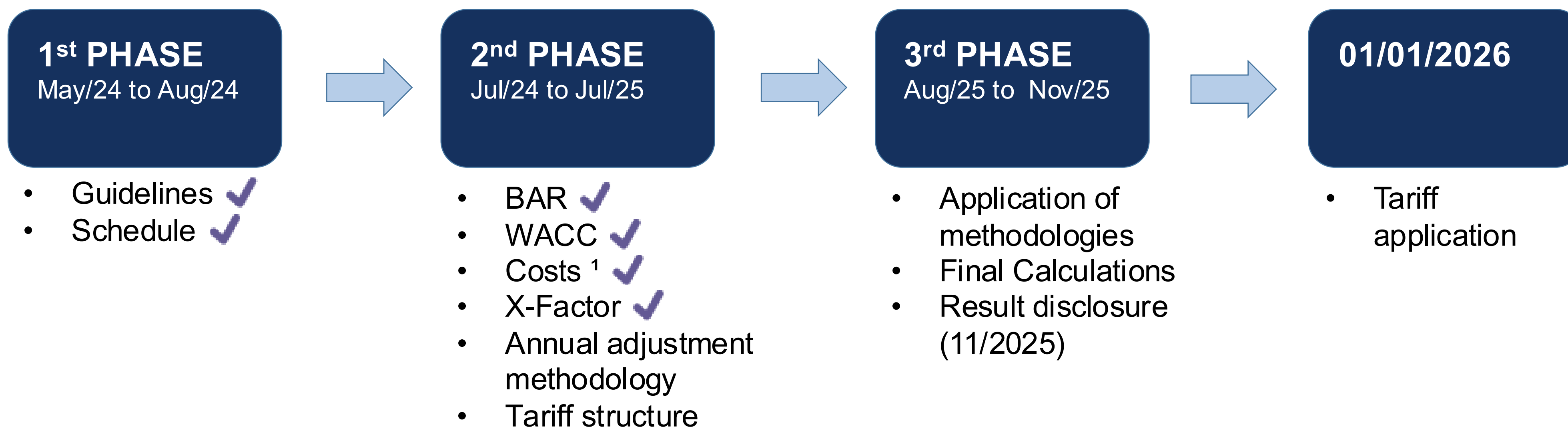


- ❑ VSP programs implemented in 2021 and 2023
- ❑ Specific shutdowns



# 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 (under public consultation)

<sup>1</sup>The stage has been completed. However, the partial sharing of efficiency gains is still under public consultation, which may eventually impact the methodology for defining operational costs.





Q&A





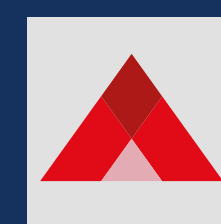
# AVISO

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# CONTACTS

[ri.copasa.com.br](http://ri.copasa.com.br)  
[ri@copasa.com.br](mailto:ri@copasa.com.br)  
(31) 3250-2015



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