

# Earnings Presentation 3Q24

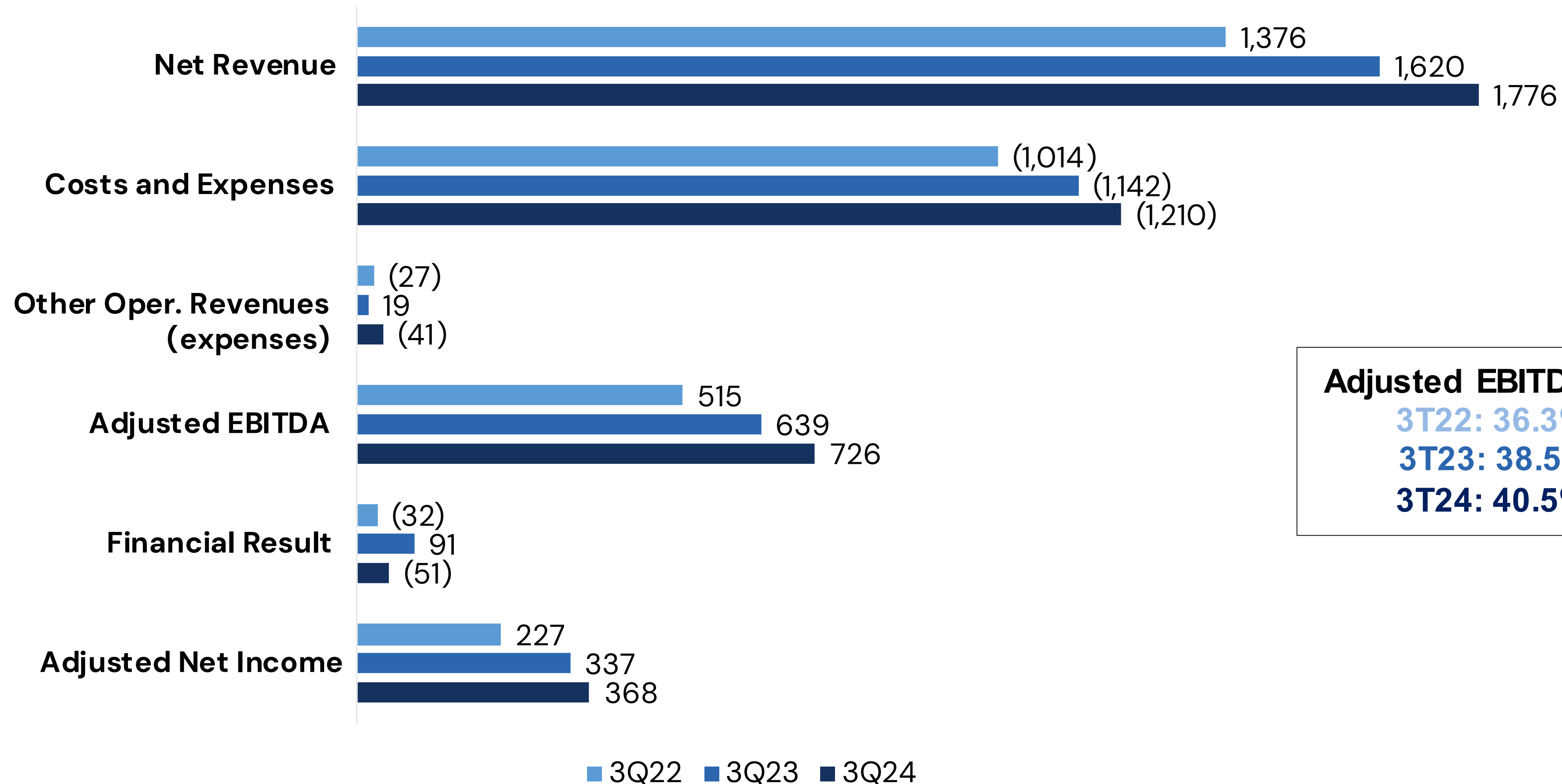
November 5th, 2024



# FINANCIAL HIGHLIGHTS

## Parent Company – Quarterly

(R\$ million)



<sup>(1)</sup> The Adjusted EBITDA and Adjusted EBITDA Margin in 3Q23 disregard the reversal of R\$49.9 million, referring to the provision for labor lawsuit.

<sup>(2)</sup> The Financial Result in 3Q23 includes the reversal of R\$105.2 million, referring to interest and monetary adjustment of the provision for labor lawsuit.

<sup>(3)</sup> The 3Q23 Adjusted Net Income disregards non-recurring items "1" and "2" (above), as well as the effects resulting from these reversals (basically, the tax effects). Corporate Net Income in 3Q23 was R\$437 million.

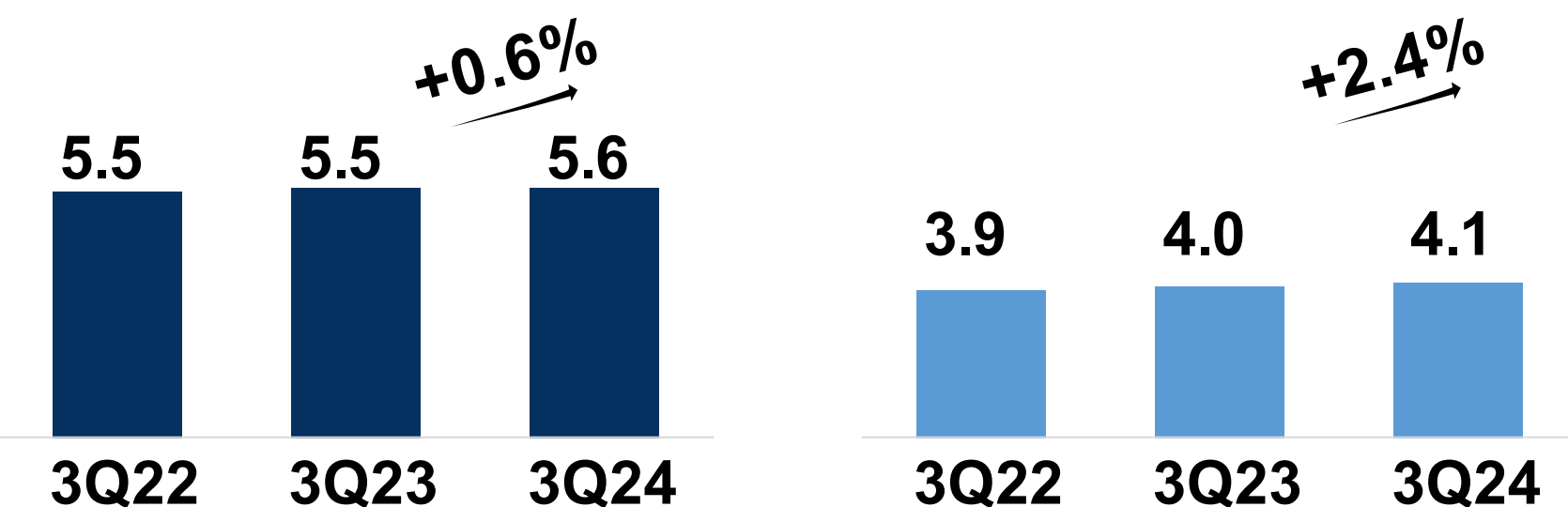
# WATER, SEWAGE AND SOLID WASTE

Parent Company – Quarterly

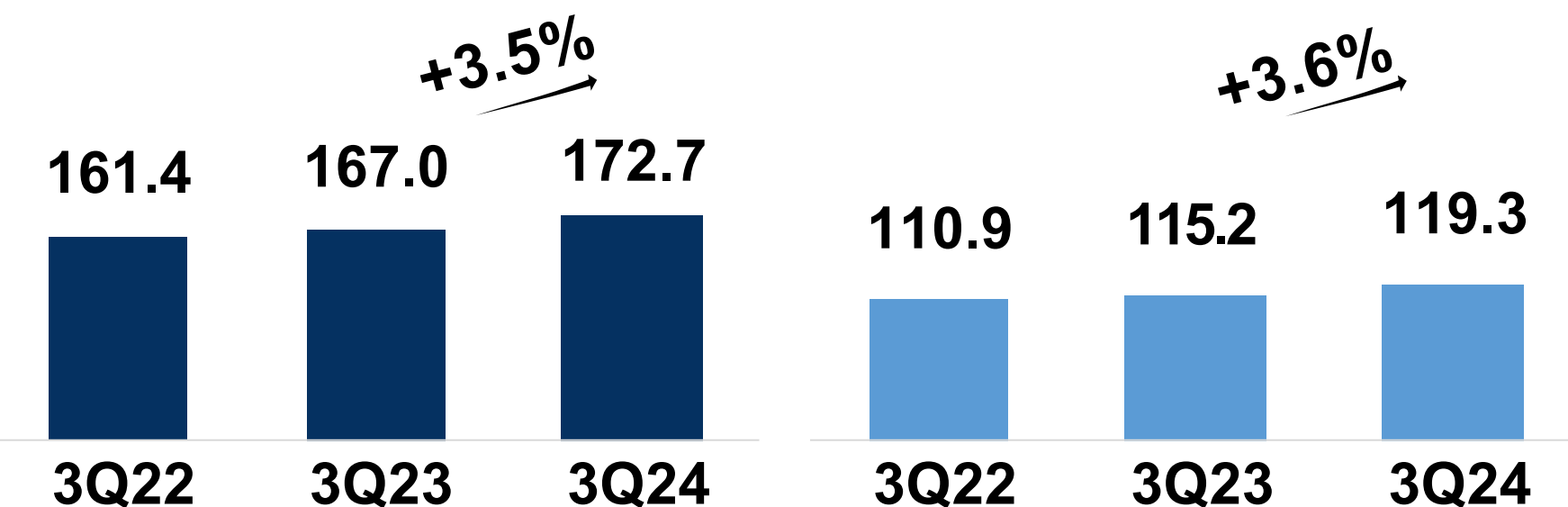
(R\$ million)

Net Revenue	3Q22	3Q23	3Q23 vs. 3Q22	3Q24	3Q24 vs. 3Q23
Water	917.1	1,064.3	16.1%	1,176.2	10.5%
Sewage	458.6	554.6	20.9%	598.6	7.9%
Solid Waste	0.5	1.2	129.8%	1.2	2.1%
<b>Water, Sewage and Solid Waste</b>	<b>1,376.2</b>	<b>1,620.0</b>	<b>17.7%</b>	<b>1,776.0</b>	<b>9.6%</b>

Consumer Units (Parent Company – Million Units)



Measured Volume (Parent Company – Million Units)



Water  
Sewage

## Tariff Adjustment

✓ 4.21%, Applied on 01.01.2024.

# MANAGEABLE COSTS

## Parent Company – Quartetly

(R\$ million)

Specification	3Q22	3Q23	3Q24	
Personnel	357.6	408.9	401.4	-1.8%
Outsourced Services	163.9	182.2	207.6	+13.9%
Rio Manso PPP	24.0	23.4	23.3	-0.6%
Materials	23.9	19.5	17.2	-2.1%
Provision for Doubtful Accounts (PDA)	51.1	33.7	55.7	+65.6%
Tariff Transfers to Municipalities	51.2	68.7	72.9	+6.1%
Sundry Operational Costs	7.4	12.7	21.7	+71.2%
<b>Subtotal</b>	<b>679.1</b>	<b>749.1</b>	<b>799.7</b>	<b>+6.8%</b>

# NON-MANAGEABLE COSTS AND OTHERS

Parent Company – Quarterly

(R\$ million)

Specification		3Q22	3Q23	3Q24	
Non-Manageable Costs	Electricity	122.5	156.6	163.7	+4.5%
	Telecommunication	4.2	5.0	5.1	+1.2%
	Treatment Chemicals	28.7	28.8	30.0	+4.2%
	Fuel and Lubricants	10.9	7.4	10.8	+46.2%
	Tax Credits	(17.4)	(16.6)	0.0	-
Subtotal		148.9	181.3	209.7	+15.7%
Others	Charge for Usage of Water Resources	7.4	18.1	0.0	-
	Depreciation and Amortization	178.8	193.0	193.7	+3.9%
Total		1,002.2	1,141.5	1,209.8	+6.0%

# OTHER REVENUES (EXPENSES), EQUITY INCOME AND FINANCIAL RESULT

Parent Company – Quarterly

(R\$ million)

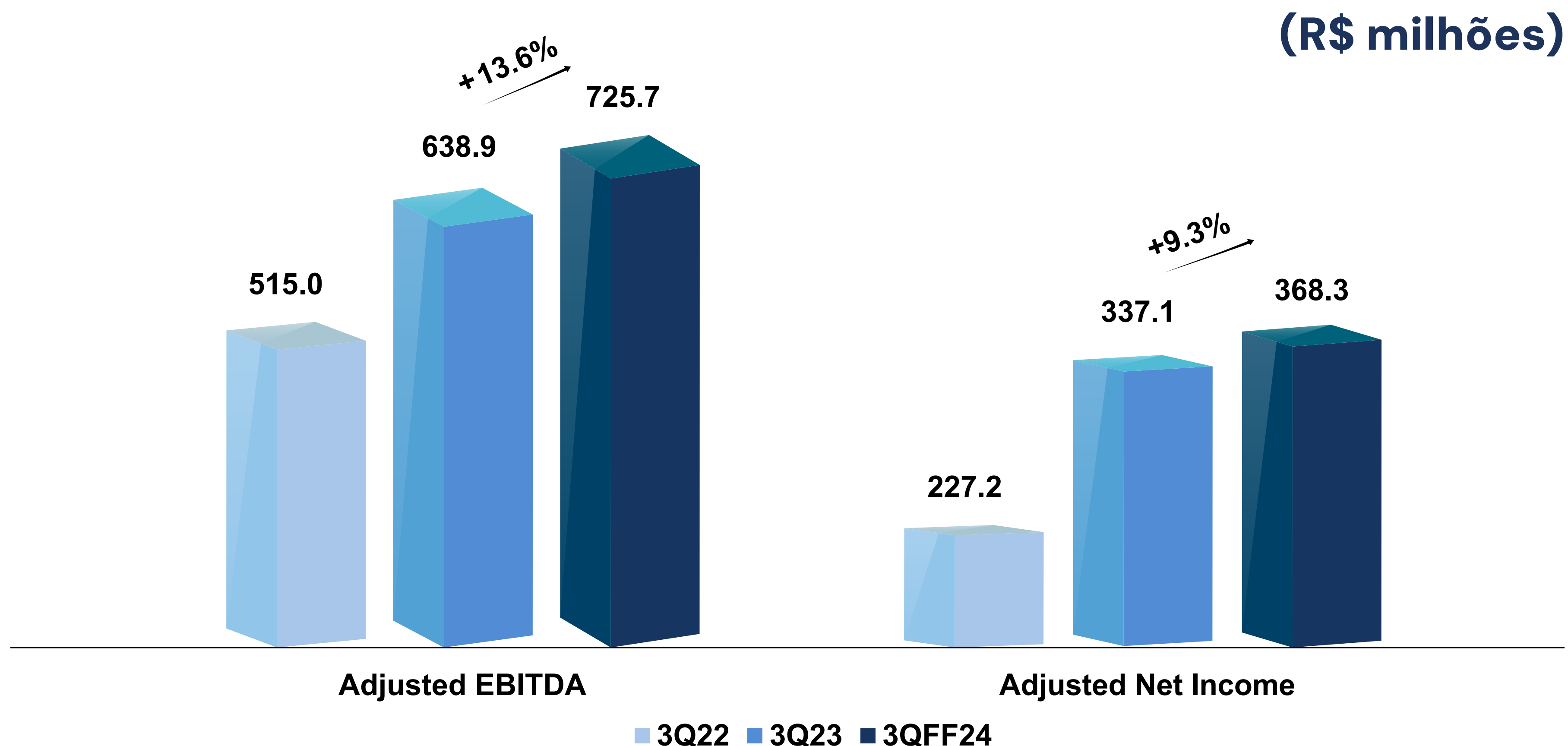
Other Items	3Q22	3Q23	3Q23 vs. 3Q22	3Q24	3Q24 vs. 3Q23
Other Operational Revenues	32.2	23.5	-27.0%	11.3	-51.8%
Other Operational Expenses	(58.9)	(5.0)	-91.5%	(52.8)	950.6%
Equity Income	0.1	(2.6)	-2,531.8%	(0.8)	-68.8%
Financial Result	(31.8)	90.8	-385.6%	(50.9)	-156.1%
<b>Total</b>	<b>(58.3)</b>	<b>106.7</b>	<b>-282.9%</b>	<b>(93.2)</b>	<b>-187.4%</b>

<sup>1</sup>Other Operating Expenses in 3Q23 include the reversal of R\$49.9 million, referring to the provision for labor lawsuit;

<sup>2</sup>The Financial Result in 3Q23 includes the reversal of R\$105.2 million, referring to interest and monetary adjustment of the provision for labor lawsuit.

# ADJUSTED EBITDA<sup>1</sup> AND NET INCOME

## Parent Company – Quarterly

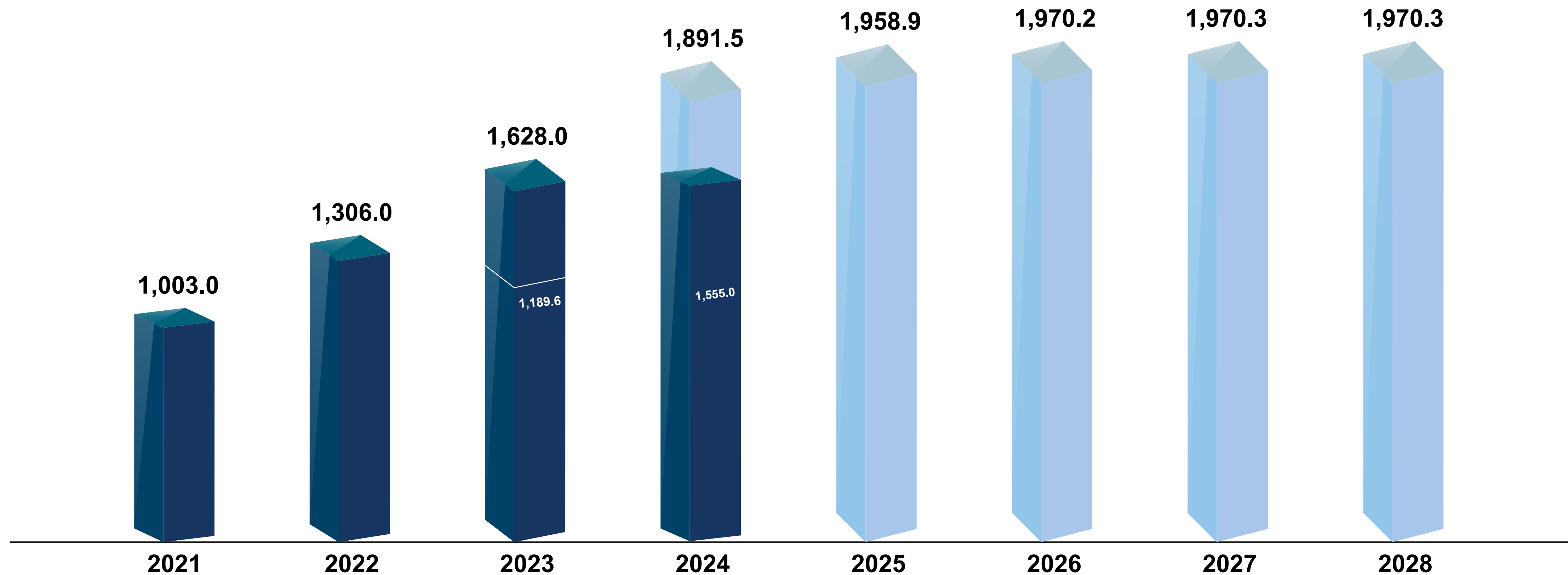


(1) Due to the agreement signed in a Labor Collective Action in 3Q23, the following adjustments to non-recurring items were made: Adjusted EBITDA disregards the reversal of R\$49.9 million (Other Operating Expenses). Net Income disregards the reversal of R\$49.9 million (Other Operating Expenses), the reversal of R\$105.2 million (Financial Expenses) and the effects arising from these reversals (basically, tax effects). Corporate Net Income in 3Q23 was R\$437 million.

# CAPEX

Parent Company – Realized and Projected Investments

(R\$ million)



■ Realized □ Projected

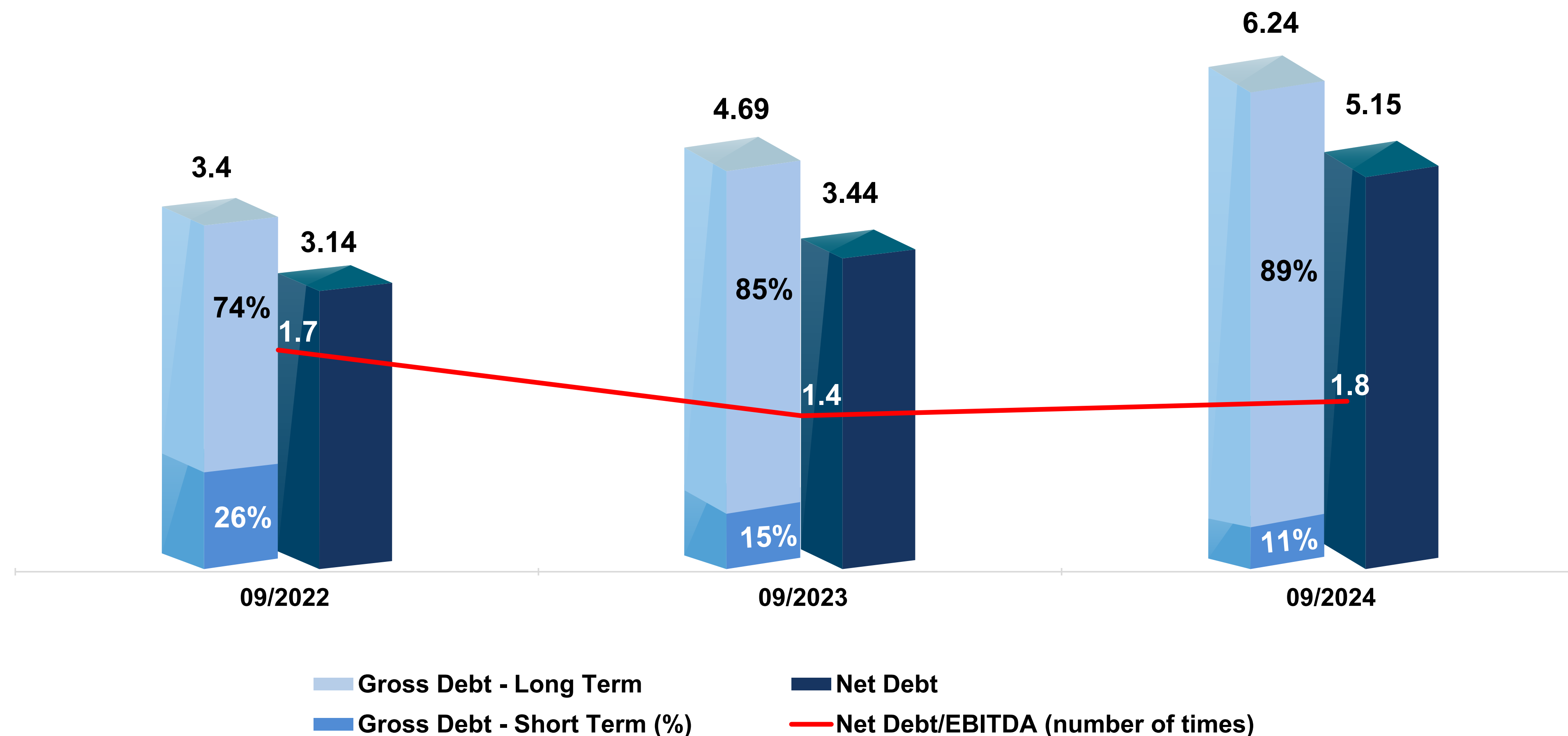
## COPANOR

- Projected for 2024: R\$ 47.6
- Realized until Set/24: R\$ 36.2

# DEBT

## Gross Debt<sup>1</sup>, Net Debt and Leverage

(R\$ billion)

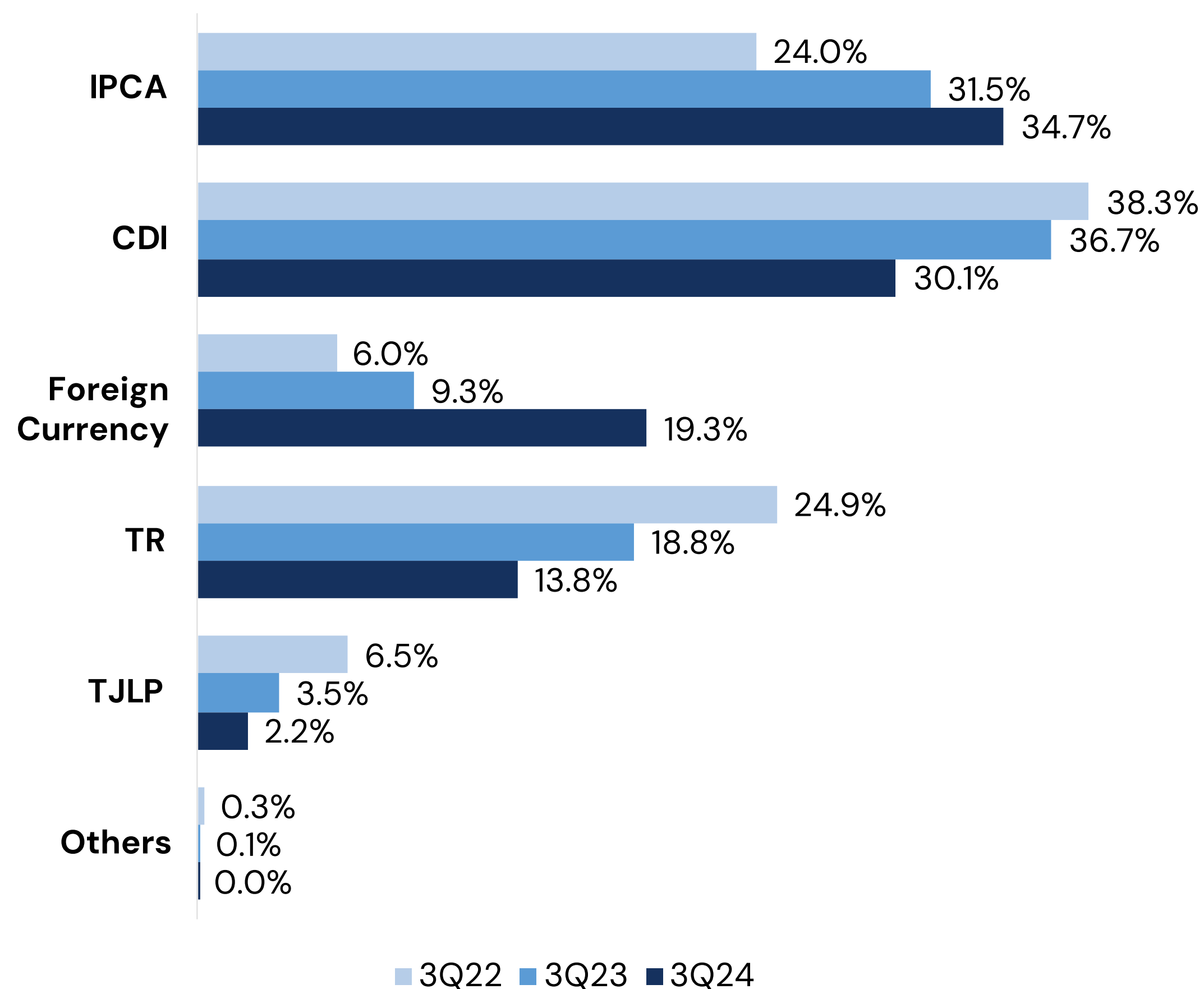


**Financial Contractual Covenants:** COPASA MG complies with the restrictive clauses

<sup>1</sup>Gross Debt considers Loans, Financing, Debentures and Leasing Liabilities.

# DEBT

## Indexes and Average Coupon



	3T22	3T23	3T24
<b>Average Coupon</b>	<b>9.9%</b>	<b>9.4%</b>	<b>8.1%</b>

	3T22	3T23	3T24
<b>Debt Level – Consolidated (Net Debt/Shareholder's Equity)</b>	<b>43.6%</b>	<b>43.6%</b>	<b>65.5%</b>

### Ratings Corporativos – Escala Nacional

- Moody's: AAA.br – stable outlook – 07/2024
- Fitch: AA+(bra) – positive outlook – 06/2024

# SHAREHOLDER COMPENSATION

## ✓ Dividend Policy

### ☐ Regular Dividends

- Between 25% and 50% of Net Income;
- Quarterly Declarations;
- Payment date is up to 60 days after the declaration date.

### ☐ Extraordinary Dividends – They may be distributed as assessed by the Board of Directors, complying with:

- The general guidelines, including (i) compliance with the public interest that justified the creation of COPASA MG; and (ii) the guarantee of resources, in its Investment Plan, to meet the provisions of Federal Law 11,445/2007 and Federal Law 14,026/2020, in particular, regarding the universalization of basic sanitation services and other established qualitative and quantitative goals;
- The legal, regulatory, statutory, and financial restrictions, as well as covenants.

#### Regular Dividends for 2024: 50% of Net Income

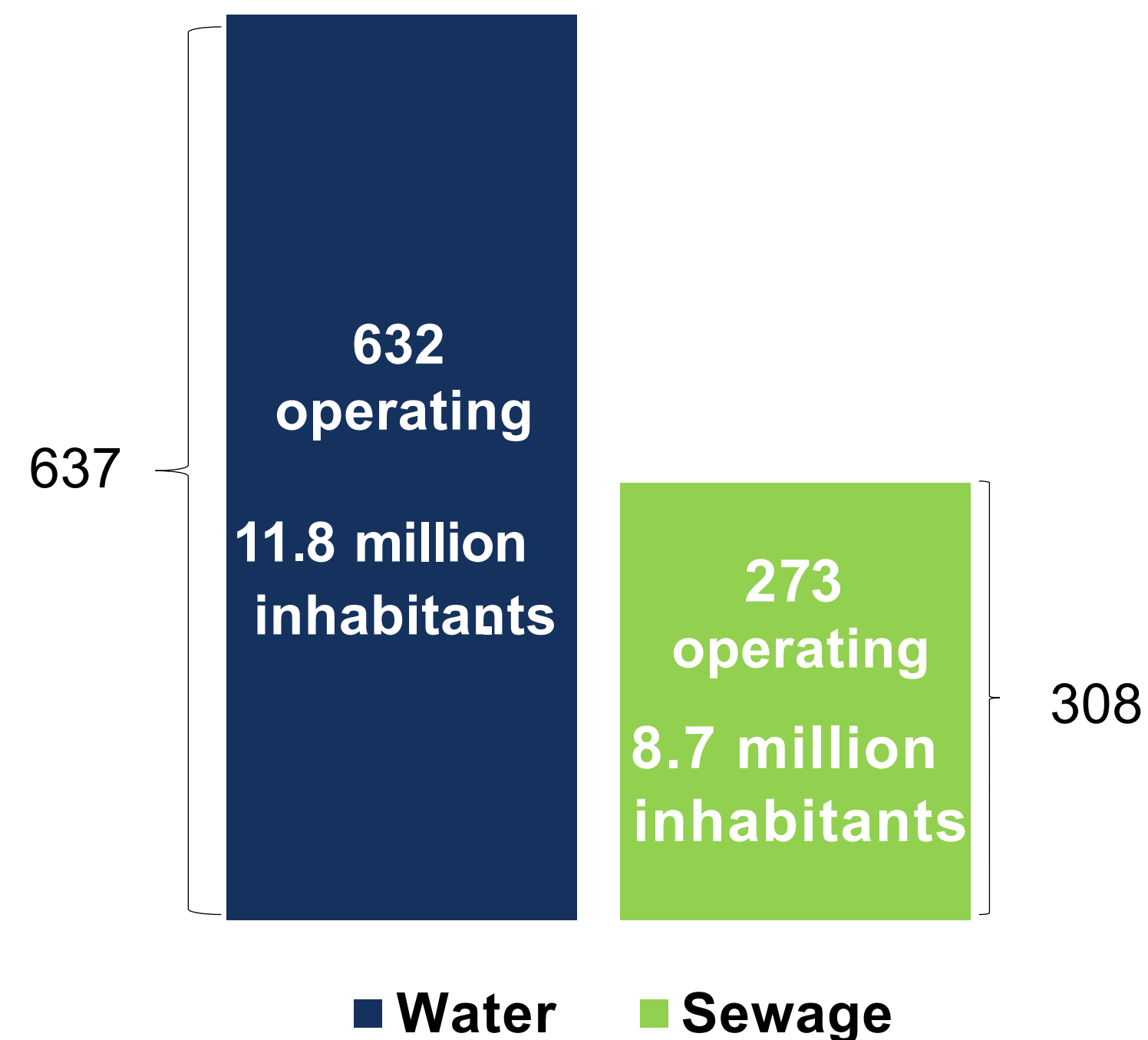
Reference	Corp. Event Date	Amount (R\$ million)	Payment Date
3Q24 IoE	09.12.2024	124.4	09.30.2024
3Q24 Dividends	09.12.2024	9.5	09.30.2024
2Q24 IoE	06.20.2024	120.1	08.19.2024
2T24 Dividends	06.20.2024	25.7	08.19.2024
1T24 IoE	03.20.2024	117.6	05.17.2024
1T24 Dividends	03.20.2024	54.8	05.17.2024
<b>Total</b>	<b>-</b>	<b>452.2</b>	<b>-</b>

#### Extraordinary Dividends: Profit Reserve existing on 12.2023

Reference	Corp. Event Date	Amount (R\$ million)	Payment Date
Extraordinary Dividends	04.26.2024	300.0	05.10.2024

# CONCESSIONS

## Consolidated



- % of revenue from concessions expiring after Dec 2031: **84%**
- **Expiration of the main 10 concessions and respective expiries:**
  - Belo Horizonte – 2032
  - Contagem – 2073
  - Betim – 2042
  - Montes Claros – 2048
  - Divinópolis – 2041
  - Ribeirão das Neves – 2034
  - Patos de Minas – 2038
  - Santa Luzia – 2050
  - Pouso Alegre – 2046
  - Varginha – 2047

**49% of revenue of the Company**
- **Municipalities with expired concessions (40) and canceled in court (1): **4.8% of revenue****

# OPERATIONAL DATA

Parent Company	Sep/22	Sep/23	Sep/24
Employees/Connections <sup>1</sup>	1.33	1.27	1.23
Loss Index <sup>2</sup> (%)	39.8	38.9	38.4
Delinquency Rate <sup>3</sup> (%)	3.46	3.07	2.97

<sup>1</sup>Number of employees / 1,000 connections of water and sewage.

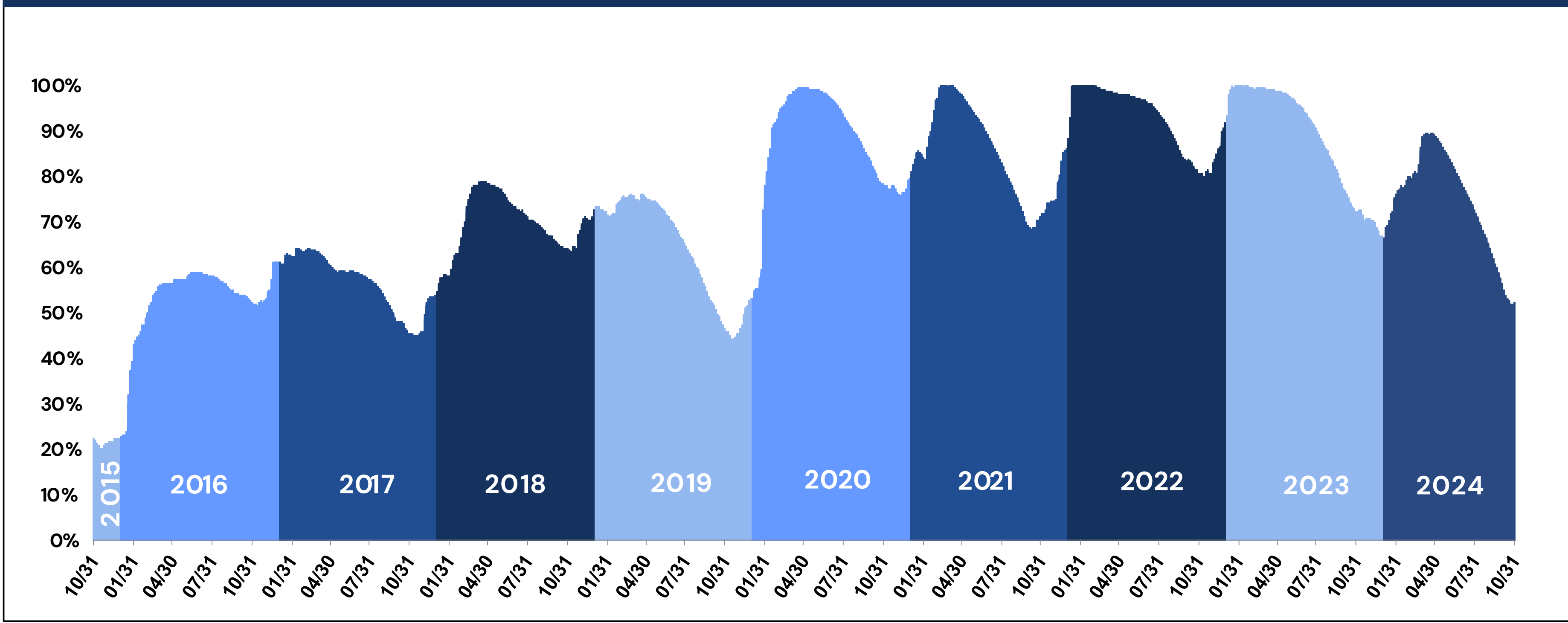
<sup>2</sup>Difference between the distributed volume and the measured volume, divided by the distributed volume in the last twelve months.

<sup>3</sup>Corresponds to the ratio between the balance of accounts recivable overdue between 90 and 359 day and the total amount billed in the last 12 months.

# WATER SCENARIO

Belo Horizonte Metropolitan Area – BHMA

## Paraopeba System: 52% of the volume distributed in BHMA



Aggregated Volume <sup>1</sup> (10.31.2024)	52.4%
Rio Manso	50.5%
Vargem das Flores	43.3%
Serra Azul	59.7%

<sup>1</sup>Volume of the three reservoirs together.

# **Q&A SESSION**

# DISCLAIMER

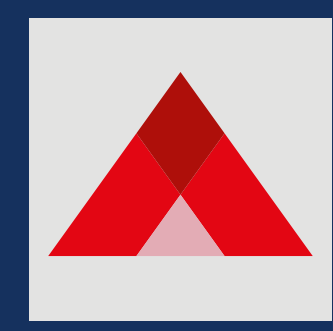
Any statements made during this presentation referring to COPASA MG business prospects, projections, and operational and financial goals consist of assumptions and expectations of the Company's Management, based on information currently available. They involve risks and uncertainties, as they refer to future events, and therefore, depend on circumstances that may or may not occur. Changes in the macroeconomic policy, legislation, or other operating factors may affect COPASA MG future performance, leading to results that are materially different from those expressed in such remarks.

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