

Aegea Saneamento e Participações S.A.
3Q25 Results
November 6, 2025

Operator:

Good morning, and welcome to Aegea Participações e Saneamento webcast to talk about the results of the 3Q25. Today we have with us Mr. André Pires, CFO and Investor Relations Officer.

This webcast is being recorded and is available with simultaneous interpreting into English. Interpretation can be accessed by clicking the 'interpretation' button. For those listening in English, you may mute the original Portuguese audio by selecting 'mute original audio'.

We will begin with the results presentation, followed by a Q&A session, when further instructions will be provided.

Before we proceed, please note that any forward-looking statements made during this call regarding Aegea's business outlook, projections and goals are Management's beliefs and assumptions, and are not guarantees of future performance. They involve risks, uncertainties and assumptions, and refer to future events that may or may not occur.

I will now turn the call over to André, our CFO, to begin the presentation. André, please, you may proceed.

André Pires:

Good morning everyone and welcome to Aegea's earnings call.

Starting on slide three, we will list our highlights. Looking at the Aegea ecosystem, which reflects the performance of the concessions managed by the Company, we closed the 9M25 with net revenue up 21%, to R\$14.4 billion, and our EBITDA up 43% to R\$8.5 billion. This performance was driven by tariff adjustments, higher billed volumes and higher PPP availability payments. It also benefited from a non-recurring recognition in 1Q25 of PIS/COFINS tax credits at Corsan. Excluding this effect, the Aegea ecosystem EBITDA grew 33% year over year.

In the 9M25, we invested R\$4.3 billion in network expansion works and water and wastewater infrastructure, as well as the startup of new operations.

Another highlight is that we completed important funding transactions in Brazil and abroad. We ran the largest global corporate blue bond issuance, totaling US\$750 million with a 10-year tenure, and issued debentures in Brazil, totaling R\$2.3 billion with a 7-year tenure. Part of the proceeds were used for liability management, extending average debt maturity from 7.2 to 7.5 years.

In line with our strategy to expand and integrate sanitation services, we announced the acquisition of Ciclus Rio, a company that operates solid waste management in the state of Rio de Janeiro, where we already run water and sewage concessions. This transaction is another step in consolidating Aegea's presence in the sector and developing an integrated sanitation solutions platform.

Continuing with slide four, we will highlight some ESG initiatives. We brought forward by four months the beginning of operations in Águas do Pará for more than 2 million people, including the capital city Belém, which is the host of COP30. This acceleration demonstrates our execution capabilities and ability to mobilize resources to deliver sanitation investments, prioritizing vulnerable areas such as the stilt house community of Vila da Barca. For the most vulnerable, we implemented a tariff exemption program that already covers more than 120,000 families in Pará.

It's important to mention that across 15 states and 892 cities where we operate, more than 2.5 million people benefit from tariff reductions or exemptions on their water and sewage bills through cross-subsidy mechanisms embedded in our contracts.

Operationally, we continue investing to reinforce water supply systems in our service areas, strengthening cities' resilience to droughts, for example. I highlight investments in semi-arid and rural regions in Piauí, including well drilling, mobile water treatment units, new reservoirs, and mobilizing more than 100 water trucks. These actions reinforce our commitment to service quality and to ensuring access to sanitation in every region where we operate, promoting public health, quality of life, and shared prosperity.

This has been possible through a combination of operational efficiency, tailored solutions for Brazil's diverse regions, tariff mechanisms that align bills with families' ability to pay, and financial discipline that keeps us accessing the funding necessary to execute our business plan.

Now talking about our results, on slide 5. But first, we will detail our ecosystem views used in our disclosure materials. In recent years, Aegea has become a sanitation investment platform, attracting capital in a structured way to support business expansion. In this context, we developed corporate structures that are not yet fully consolidated within the Company's financial statements.

Therefore, both in this presentation and in our earnings release, we show and discuss results under the financial statements view and the Aegea ecosystem view, which includes the financial statements results, plus those of the subsidiaries Águas do Rio and Parsan, not consolidated by Aegea.

Still on the slide, the charts at the bottom show the diversification of our ecosystem in terms of both net revenue and EBITDA. It's worth noting the contributions from Águas do Rio and Corsan, representing respectively 37% and 25% of net revenue, and 26% and 35% of EBITDA in the 9M25. These assets were incorporated over the last four years.

Now to slide 6, which highlights operating results. Network expansion and the incorporation of new assets increased the number of households in the ecosystem by 10%, totaling 15 million households, while in the consolidated view, the increase was 17%. As a result, billed volume in the quarter grew 7% in the ecosystem and 14% in the consolidated view. In 9M25, billed volume rose 5% in the ecosystem and 12% in the consolidated view, driven by the increase in households and the start-up of new operations.

Moving to slide 7 and beginning the financial performance, ecosystem net revenue reached R\$5.1 billion in 3Q25 and R\$14.4 billion in 9M25, up 24% and 21%, respectively. Growth was driven by higher PPP revenue, tariff adjustments and higher billed volume. The Company's average ticket, which considers water and sewage services revenue, plus PPP revenue, increased 6.5% in the ecosystem view and 8.7% in the consolidated view, which is above the 12-month IPCA inflation of 5.17%. These increases reflect tariff adjustments and rebalancing implemented in the comparable periods.

On costs and expenses, shown on the right side of the slide, in both the ecosystem and consolidated views, higher costs and expenses mainly reflect progress on PPP investments and the start-up of new operations. This increase was partially offset by a lower provision for expected credit losses at Águas do Rio, mainly due to the adjustment of the provision to the customer portfolio's delinquency risk as commercial projects advance, accelerating customer conversion and regularizing supply, which in turn increase our revenue collection.

Managerial OPEX per household over the last 12 months was R\$453 in the ecosystem, which is a 6% reduction year-over-year, and R\$367 reais in the consolidated view, down 11%. This performance reflects our operating model focused on efficiency across all operations, as well as measures such as Corsan's voluntary severance program, migration of energy consumption to self-production contracts and procurement optimizations, among other initiatives.

Now moving to slide 8, to discuss EBITDA and managerial cash flow. In the ecosystem view, EBITDA reached R\$2.9 billion in 3Q25, which is up 28.5%, and R\$8.5 billion in 9M25, up 43%. In the consolidated view, EBITDA rose 26% in 3Q25 and 39% in 9M25.

The results for 9M25 include the positive impact from PIS/COFINS tax credit at Corsan, which were recognized in 1Q25 results, and fully used to offset tax payments, increasing cash generation. Excluding these credits, the 9M25 EBITDA increased 33% in the ecosystem view, and 26% in the consolidated view, evidencing the pace of the Company's organic growth, as there was no significant contribution from new assets for comparison purposes. The increase in cash generation shown on the right side of the slide reflects higher collections and lower cash taxes, as I just discussed.

Turning now to slide 9, with our net income and CAPEX. In 3Q25, net income reached R\$398 million in the ecosystem, and R\$424 million in the consolidated view. In 9M25, net income was R\$1.8 billion in the ecosystem, which is up 51.5%, and R\$1.7 billion in the consolidated view, up 17.7%.

The 9M25 results were also impacted by PIS/COFINS tax credit, as I mentioned. Excluding this impact, the net income from 9M25 grew 2.4% in ecosystem, and down 23% in the consolidated view, affected by higher interest rates in Brazil.

Moving now to CAPEX, which in 9M25 reached R\$4.3 billion in ecosystem, and R\$3.3 billion in the consolidated view, which is up 18 and 31.5% respectively, with an emphasis on projects to expand sewage coverage and the start-up of new operations.

Moving to slide 10 to discuss Águas do Rio and Corsan results, which together account for more than 60% of Aegea ecosystem EBITDA. Commercial programs and operational improvements at Águas do Rio have consistently increased revenue collection and accelerated customer conversion. Consequently, the provision for expected credit losses index decreased. This effect, combined with tariff adjustments, more than offset the decline in billed volume, consistent with the intensification of connection cuts, leading to an increase in EBITDA margin to 34%.

Net income decreased 7% to R\$356 million in 9M25, due to higher financial expenses. CAPEX was R\$1.1 billion in 9M25, down 9.5%, mainly due to completion of certain phases of the Vem Com A Gente program and investments to water and sewage systems, especially in the state capital. However, comparing 3Q25 with the quarter immediately before that, 2Q25, CAPEX increased 28%, with the start of new projects focused mainly on expanding coverage and reducing water losses.

On the right side of the slide, Corsan posted a 45% increase in 9M25 EBITDA, with a 64% EBITDA margin and net income above R\$2 billion. These results already exclude the impact of PIS/COFINS tax credit, as noted on the slide. The improvement reflects efficiency measures, including the voluntary severance program, higher billed volumes and tariff adjustments. Corsan's CAPEX was R\$1.4 billion year-to-date, up 15%, with most investments directed to projects expanding sewage coverage.

Moving to slide 11 on Aegea's corporate capital structure, we ended the quarter with pro forma net debt of R\$41.4 billion, and net leverage measured as net debt over EBITDA at 3.7x in the ecosystem view. It's worth noting that in the 4Q24, we paid R\$4.2 billion in grant fees, including the final installment of the Rio de Janeiro concession auction of R\$3.8 billion, which temporarily lifted our net leverage to 4.3x at 2024. In other words, this quarter we continued on the Company's deleveraging path.

In the consolidated view, where we measure the Group's financial debt covenants, net leverage was 2.9x, remaining well below the most restrictive covenant limit of 4.0x net debt over EBITDA for our financing agreements.

Looking at the chart at the bottom left of the slide, which shows the trend in average debt maturity and ecosystem leverage, we can see that net leverage spikes coincide with years of relevant grant fee payments, such as was the case in 2024, as we mentioned. Maintaining net leverage at

comfortable and manageable levels is a strategic premise for the Company, including when evaluating new growth opportunities.

Average debt maturity in the ecosystem was 7.2 years at 3Q25. Considering the liability management transactions we executed in October, the local debentures with a 7-year maturity, and international bonds with a 10-year maturity, average maturity increases to 7.5 years.

This concludes our presentation, and we are now available for your questions. Thank you.

Roberto Dunke, Banco ABC (via webcast):

First, could you give us more details about the Aguas del Rio's connection cuts strategy, and how effective these cuts have been, for example, in credit recovery? And secondly, what is the appetite like for new sanitation auctions?

André Pires:

With regard to the connection cuts strategy, we have been intensifying our work in converting clients. Just to recall some numbers, when we took over at Águas do Rio operations in November 2021, we inherited from Cedae, the previous water company, 900 thousand connections and a delinquency rate of 35%, and currently we are operating with 1.7 million connections. So we practically doubled the number of connections, with a delinquency rate of 15% in the consolidated view of the blocks.

So essentially, we have been moving into different regions with our programs, and at the same time, working on converting clients. Cuts are an important tool for us to adjust and use this commercial program as a way of converting these customers. So I would say that, yes, these cuts have been effective, especially when we look at the delinquency rates, which are going down when we consider the provisions we have been doing.

Another important highlight is that since we moved in, in November 2021, our revenue grew 50% since then. But actually, our revenue collected has doubled. So our collections have been following at a much better growth curve when we consider tariffs as well. So cuts are one important tool to adjust our client and customer portfolio.

Regarding the appetite for new sanitation auctions, it's a bit of our history. We have been growing, not just organically, as I mentioned, due to the progression of the investments we have been making, which are still in the process of maturing, but we also continue to evaluate other potential auctions that come to market. And we always consider all these topics with our approach. Essentially, we need a return, a return profile that matches the return expectations of our shareholders. So essentially, it needs to give us returns that are in line with what we have in our portfolio.

But above all, we also need an appropriate capital structure. We continue to survive in a high interest rate environment. This is a capital intensive operation, which requires significant capital investments, and we continue to highlight that our focus is to continue deleveraging.

So if we look since December 2024, when our ecosystem had a 4.3x net debt/EBITDA ratio, and since then we have been dropping that index, we are now at 3.7x. So as long as it fits into our results without impacting our deleveraging trajectory and it provides an adequate return, we will certainly consider it.

And in terms of any transformational transactions, we will only do that if and when we have additional funding sources. That's the philosophy that we have been following.

Jordan, PDGM (via webcast):

Are there any updates to new concessions you have been bidding or intend to bid?

André Pires:

I believe I actually answered this in the previous answer about our philosophy regarding to these topics. So just to comment, we remain monitoring them, and if and when they enter those characteristics I mentioned, then we will take part.

Gabriel Marquiori, Occam (via webcast):

What is the status of the Águas do Rio sewage coverage assessment?

Frederico Valente, Quantitas (via webcast):

How are the financial rebalancing process at Águas do Rio progressing? Which ones are the most relevant, and is there a prospect of gains in the short term?

André Pires:

I think everyone has been following our work, but basically, in fulfilling our concession contract, we performed an assessment in October of 2024 and presented a report on the sewage coverage deficiencies. Measuring that coverage in light of what is specifically in the contract, we presented those differences to the regulatory agency and to the grantor, and it was confirmed through the report, which was assessed by an independent third-party, a certain number of differences. So we signed a conciliation agreement in the end of 2024 so that we could adjust that imbalance and at that time, what was indicated was that this rebalancing would be carried out through additional increases to tariffs.

Over the course of 2025, we also negotiated with the agency, the grantor and Cedae, a mechanism to ensure tariff affordability, so as not to excessively burden our customers. In this

second conciliation term, proposes in addition to a tariff adjustment, a discount in the water purchase as a way to compensate those imbalances.

The applicability of this discount was questioned by the State Court of Accounts (TCE) and is now under review. Given that we were required to announce the 2025 tariff adjustments on November 1st—which take effect as of December 1st—we reverted to the previous conciliation agreement, which had already been approved by the regulatory agency, and essentially announced that adjustment while we await the TCE’s decision. Once the administrative process is concluded, our intention is to return to the structure we believe is more balanced from both a contractual and consumer-impact perspective, which is the second conciliation agreement that includes the water purchase discount.

So, the matter is currently under discussion. I think it is important to emphasize—because you may have seen news coverage—that at no point it is being discussed Águas do Rio’s right to this rebalancing. The discussion now is about the most appropriate way to implement and ensure, let’s say, the enforcement of that right.

Kaique Dantas, Nu Asset (via webcast):

PECLD in Águas do Rio was higher in this quarter compared to 2Q25. Is this the level of provision you intend to carry into the coming quarters, around 15% revenue?

André Pires:

I would say that this vision of a higher provision level is aligned with the adjustment that was made, specifically in the 2Q25. So when we further adjust that to the year 2025, that actually is the 15% you mentioned. It’s true.

So it’s really an effect that varies from one quarter to another and is subject to some adjustment. But 15% is a good number to consider.

Henrique, Athena Capital (via webcast):

About Corsan, the personnel costs showed a significant reduction compared to 2Q25. Is this the new recurring level? And is there still room for further reductions in personnel?

André Pires:

Henrique, I would say that this is the most appropriate and recurring level moving forward. Of course, we continue to make adjustments, but I would say that a majority, almost the totality of all adjustments have already been implemented.

And when we look at the level and expenses numbers, which is roughly 40% lower than Corsan's previous posting, that's what it's going to be close to. We have not yet fully completed our personnel adjustments, but we are nearing the very end.

Gustavo, Icatu (via webcast):

Could you give us some details about what the start of operations in Pará is like with regard to the quality of the assets you have received, adherence of these numbers to those in the bidding documents?

André Pires:

About the adherence of the numbers to those in the documents, they do follow those numbers, yes. We have anticipated operations in Belém, Marituba and Ananindeua metropolitan regions, due to that we have anticipated some investments to ensure the quality of water and especially water provision. So, I would say that there's been a lot of adherence to what is in the bidding documents.

We have held a number of different meetings and one-on-ones, especially those moderated by the BNDES, and we have seen an evolution in the structure of the contracts over time. The contracts—especially those structured by BNDES—have been incorporating improvements based on the learnings from previous concessions. So, I would say that the Pará contract is quite modern in that sense, and it includes important enhancements, with a very strong alignment between what was modeled and what we are actually receiving.

Henrique, Athena Capital (via webcast):

Can you talk about Corsan, if this delinquency level will be recurring?

André Pires:

Those are around 1%. If we look at the release for our 3Q25, our delinquency rate is approximately 1%. And when we look at the structure of our customer portfolio, we do believe that, yes, this is the number that is to be expected moving forward.

Gabriel, Occam (via webcast):

Could you talk about the reduction in margin in Corsan?

André Pires:

Actually, Gabriel, we did not see a reduction. What happened was that in the previous quarter, there was a PIS/COFINS impact. Now, when we look at the 3Q where we did not have that impact, there's a change there because of the removal of the non-recurring impact.

Operator:

Thank you. The Q&A session is now complete. Please, André, you may begin your final takeaways.

André Pires:

Thank you. We will continue to develop innovative solutions and leading with efficiency in sanitation services in every region in the country. We maintain our commitment to improving infrastructure and services promoting better health, quality of life, and sustainable development, as well as a positive impact on the lives of people and the environment.

We remain alert and diligent to opportunities in the sector and industry, as well as the finances and our shareholders, which are essential parts of our growth strategy.

We thank you all for joining us in our earnings call, and see you next time. Thank you, and have a great day.

Operator:

Aegea thanks everyone for joining this results webcast. It is now complete.

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