

1Q20 CONFERENCE CALL



Economic-Financial and Investor Relations Office

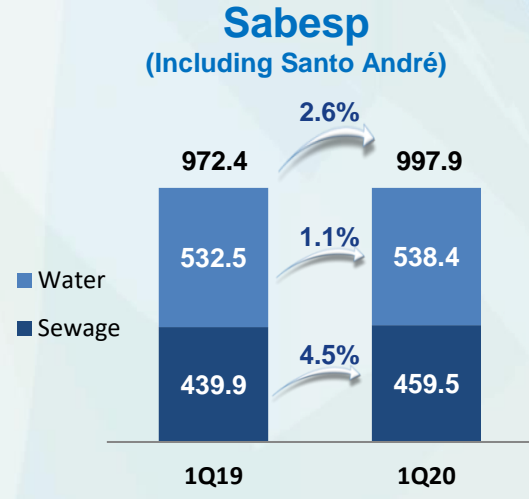
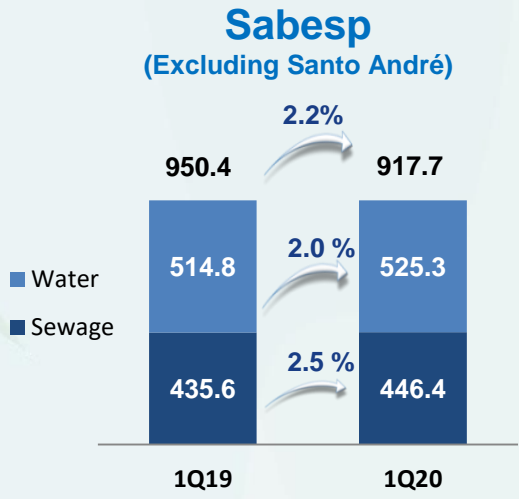
May 19, 2020



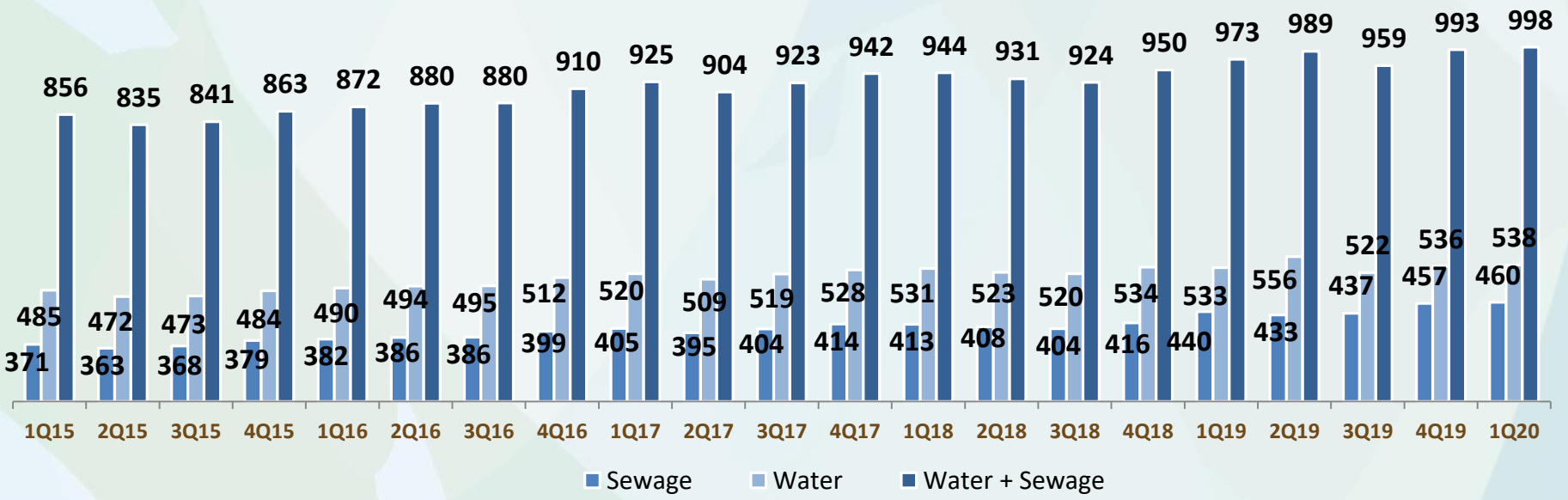
This presentation may contain forward-looking statements referring to SABESP's business outlook, operating and financial estimates and growth prospects. These are only projections and, as such, they are exclusively based on the expectation of SABESP's management team in relation to the future of the business and its continuous access to capital to finance the Company's business plan. These forward-looking statements largely depend on changes in market conditions, governmental rulings, industry performance and the Brazilian economy, amongst other factors, in addition to the risks disclosed in the documents filed by SABESP, thus they are subject to changes without prior notice.

BILLED VOLUME (million m³)

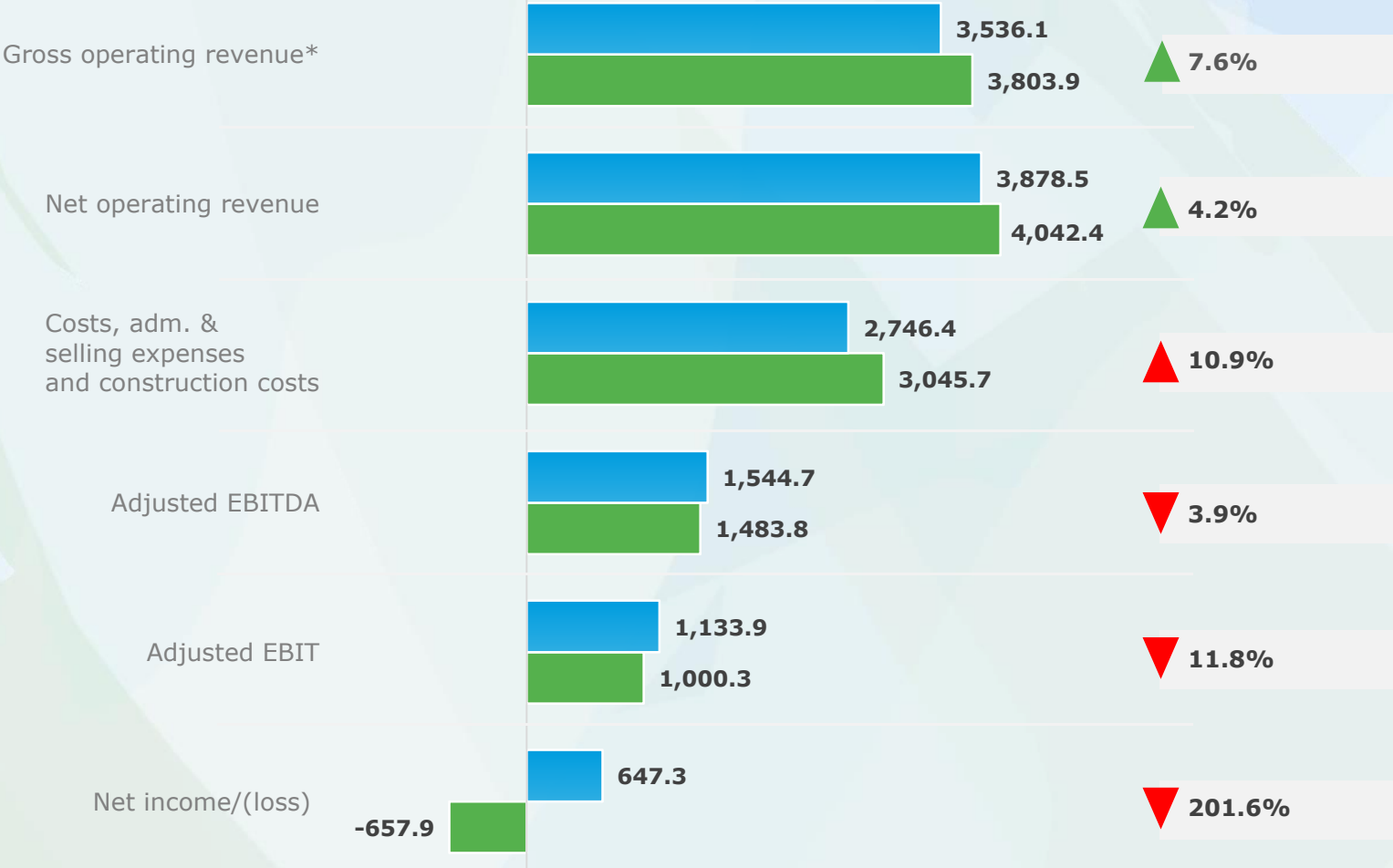
Total water and sewage billed volume, including wholesale



Historical Billed Volume



FINANCIAL HIGHLIGHTS (R\$ million)



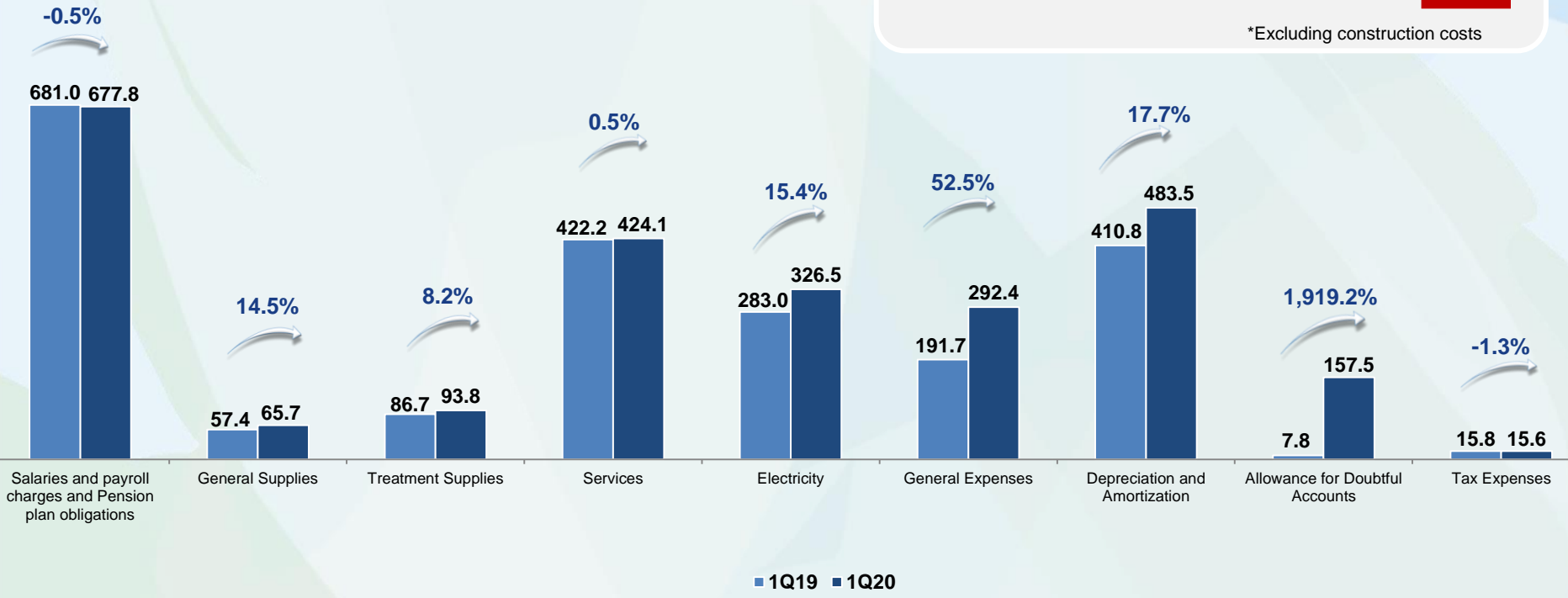
(*) Does not include construction revenue

■ 1Q19 ■ 1Q20

COSTS AND EXPENSES (R\$ million)

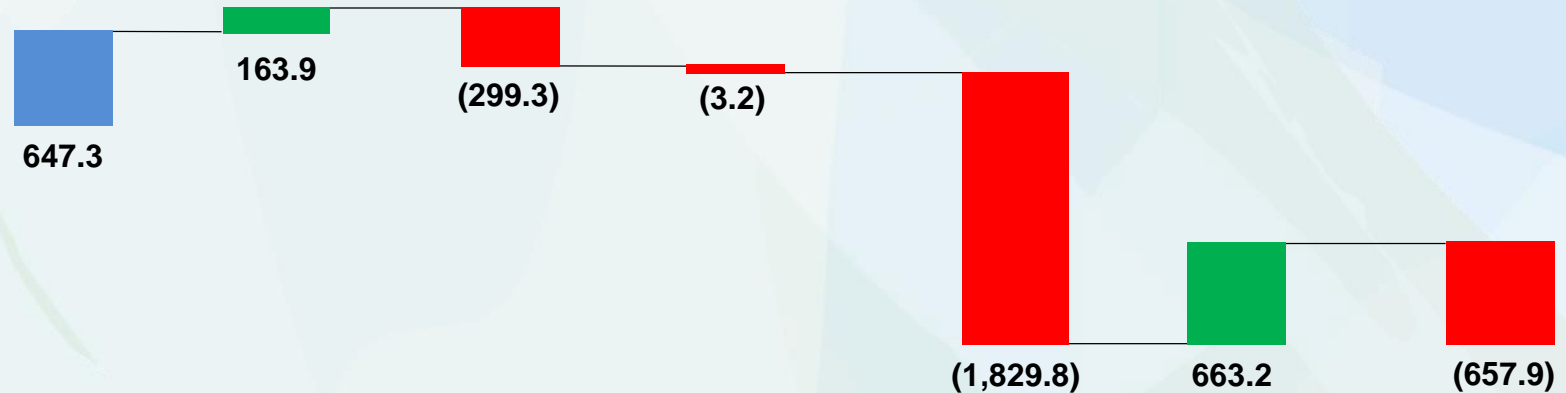


Costs and expenses in 1Q19*: R\$ -2.156,4
 Costs and expenses in 1Q20*: R\$ -2.536,9 **↑ 17.6%**
 *Excluding construction costs



| % Net Revenue in 1Q19 | | | | | | | | | |
|-----------------------|------|------|-------|------|------|-------|------|------|--|
| 17.6% | 1.5% | 2.2% | 10.9% | 7.3% | 4.9% | 10.6% | 0.2% | 0.4% | |
| % Net Revenue in 2019 | | | | | | | | | |
| 16.8% | 1.6% | 2.3% | 10.5% | 8.1% | 7.2% | 12.0% | 3.9% | 0.4% | |

FINANCIAL PERFORMANCE (R\$ million)



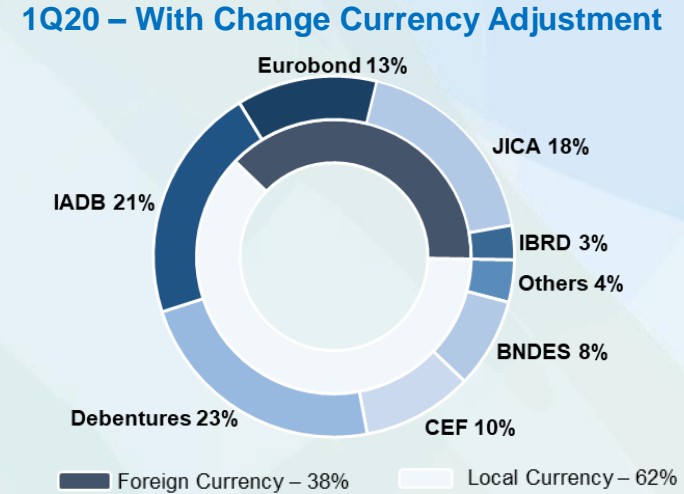
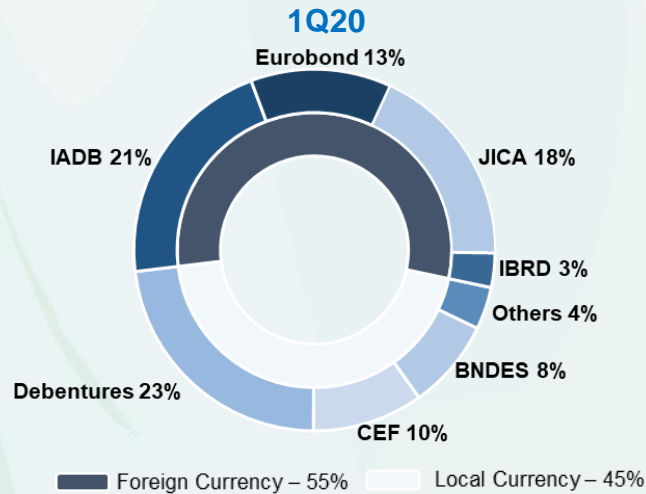
1Q19 Net Income/ (Loss) N.O.R. Costs & Expenses Other Revenue & Expenses (*) Net Financial Result Income Tax & Social Contribution 1Q20 Net Income/(Loss)

| | 1Q20 | 1Q19 | Variation |
|----------------------------------|-----------|-----------|----------------|
| Net Income 1Q19 | | | 647.3 |
| Net Operating Revenue | 4,042.4 | 3,878.5 | 163.9 |
| Costs & Expenses | (3,045.7) | (2,746.4) | (299.3) |
| Other Revenue & Expenses (*) | 6.4 | 9.6 | (3.2) |
| Net Financial Result | (1,980.3) | (150.5) | (1,829.8) |
| Income Tax & Social Contribution | 319.3 | (343.9) | 663.2 |
| Net Income 1Q20 | | | (657.9) |

(*) Includes equity results

- ◆ Installation of water in field hospitals
- ◆ Cleaning of the areas
 - ◆ 290 municipalities in the State
 - ◆ 9 thousand cleaning initiatives
- ◆ Distribution of water tanks
 - ◆ Total of 4,500 water tanks
- ◆ Installation of washbasins and drinking fountains throughout the State
 - ◆ 65 cities in the coastal and interior areas
 - ◆ 60 washbasins installed in the São Paulo Metropolitan Region
- ◆ Volunteer Program
 - ◆ 35 tons of food and 17 tons of hygiene kits





- ◆ **Debt conversion from US\$ 494 million for R\$ 2.8 billion**

- ◆ 32% reduction in total foreign currency debt
- ◆ 17% reduction in foreign exchange exposure estimated in dollar on March 31st

- ◆ **25th debenture issuance**

- ◆ Amount of R\$ 1.45 billion
- ◆ Conditions: CDI +3,30% - Term: 18 month

- ◆ **Additional (potential) Funding**

- ◆ IDB Invest - mandate letter
- ◆ Infrastructure debentures – R\$ 1 billion – approved by the Ministry of Regional Development

- ◆ **Support from public banks and multilateral entities**

- ◆ Standstill on debt payment
- ◆ Disbursement anticipation
- ◆ Scope adjustments and/or counterparts limits

INITIATIVES TO COMBAT THE EFFECTS OF THE ECONOMIC CRISIS

Economic Crisis

Covid-19



Factors impacting the Company's results and liquidity

UNFAVORABLE

- ◆ Reduction in non-residential demand
- ◆ Increase in default
- ◆ Exemption of temporary tariffs to social/favela categories
- ◆ Postponement of tariff adjustment
- ◆ High exchange rate volatility

FAVORABLE

- ◆ Increase in residential demand
- ◆ Expansion of public and multilateral financing to the sector
- ◆ Postponement of the payment of 50% of the Regulation and Inspection Fee
- ◆ Possibility to postpone amortizations

| MEASURES | STATUS |
|---|----------------|
| R\$ 360 million budget reduction in expenses and postponement of R\$ 300 million in investments | Effetive |
| 25th debentures issuance totaling R\$ 1.45 billion | Effetive |
| Replacement of debt in foreign currency for local currency (US\$ 495 million) | Effetive |
| Reduction of staff through the Knowledge Retention Program | Ongoing |
| Postponements of amortizations, bringing receipts forward and contracting new financing | Under analysis |
| Replace escrow deposits for guarantee insurance | Under analysis |



sabesp

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