

2Q19 CONFERENCE CALL



Economic-Financial and Investor Relations Office

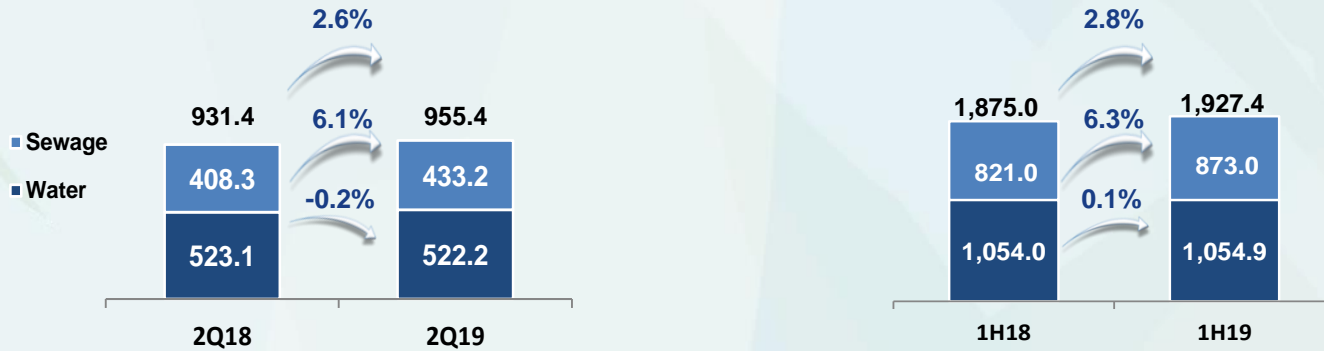
August 16, 2019



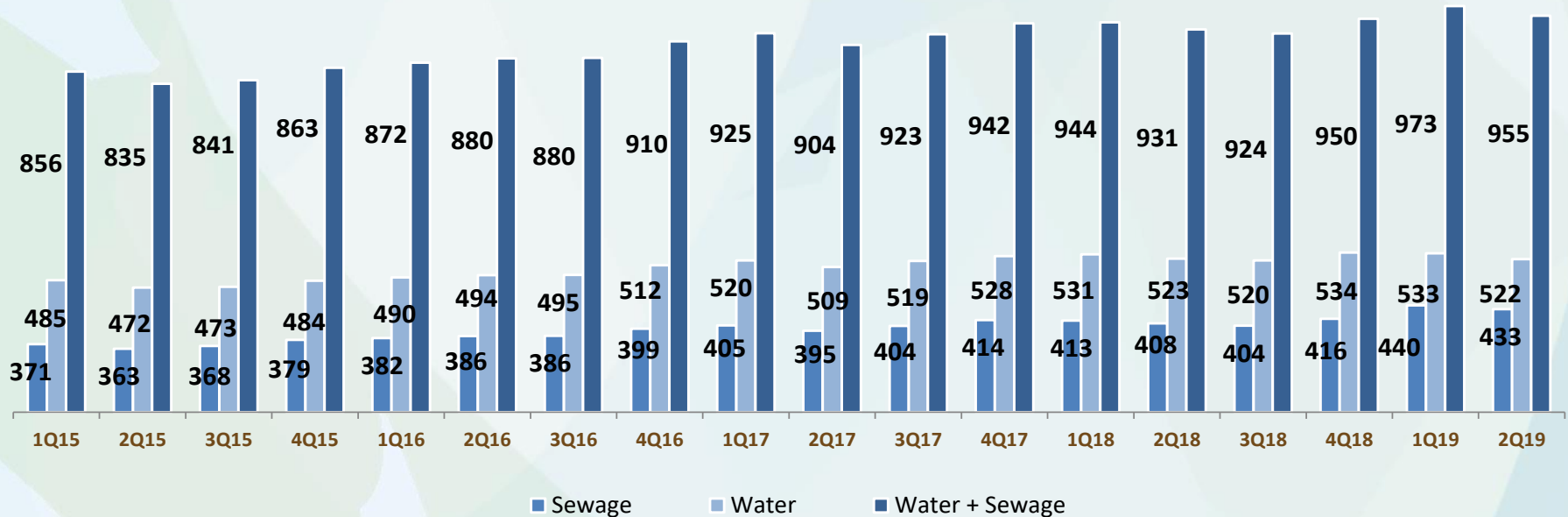
This presentation may contain forward-looking statements referring to SABESP's business outlook, operating and financial estimates and growth prospects. These are only projections and, as such, they are exclusively based on the expectation of SABESP's management team in relation to the future of the 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



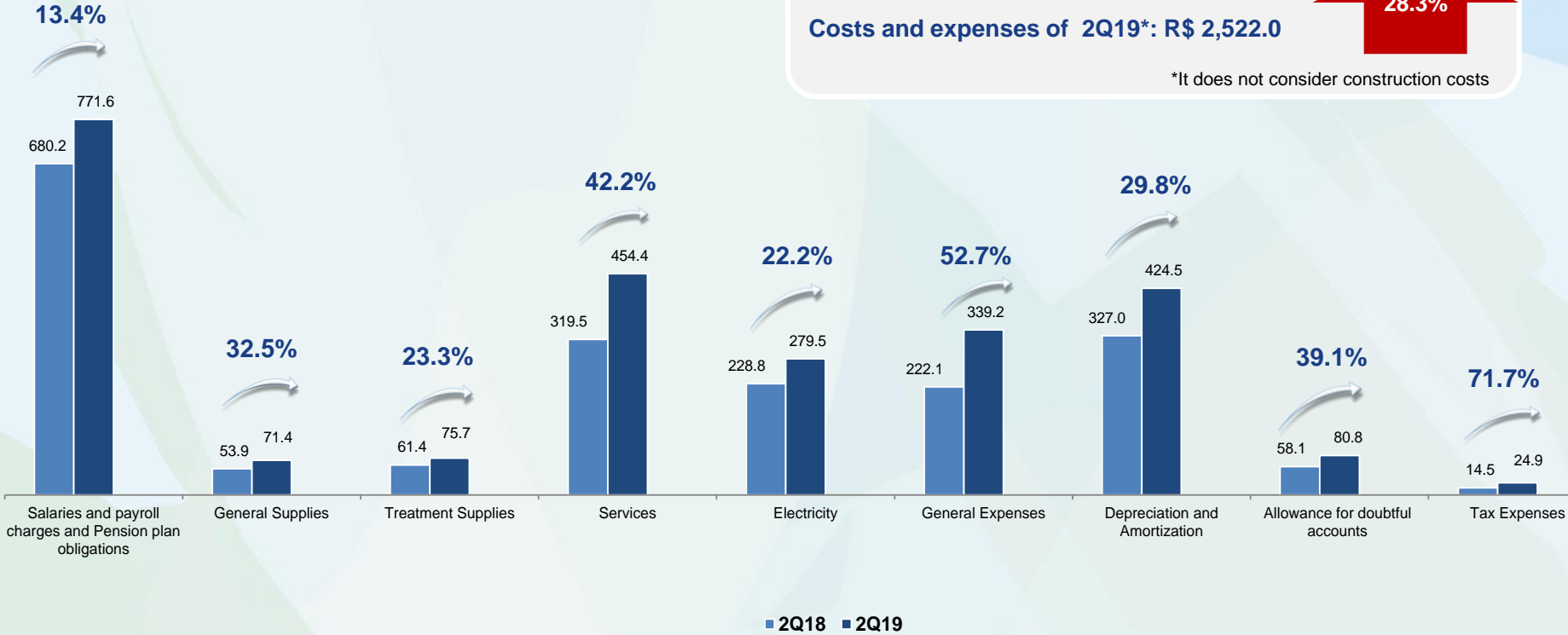
Historical Billed Volume



FINANCIAL HIGHLIGHTS (R\$ million)

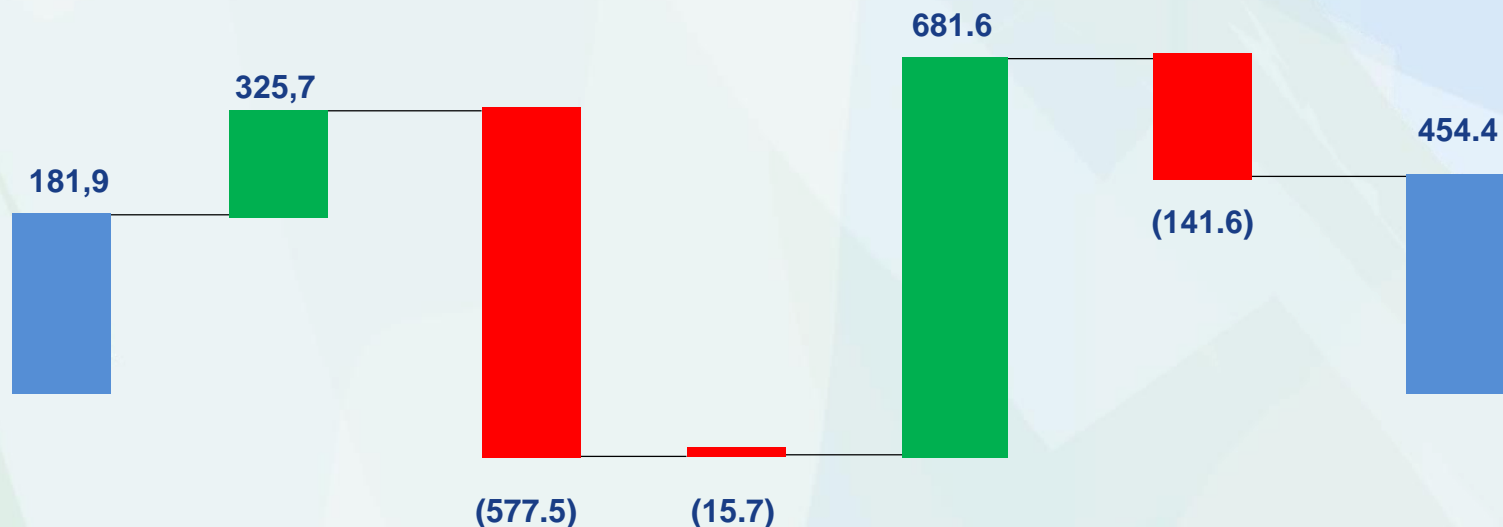


COSTS AND EXPENSES (R\$ million)



% Net Revenue in 2Q18								
18.5%	1.5%	1.7%	8.7%	6.2%	6.0%	8.9%	1.6%	0.4%
% Net Revenue in 2Q19								
19.3%	1.8%	1.9%	11.4%	7.0%	8.5%	10.6%	2.0%	0.6%

NET INCOME – MAIN VARIATIONS (R\$ million)



2Q18 Net Income	N.O.R.	Costs and Expenses	Other Rev. and Expenses(*)	Net Financial	Income Tax and Social Contribution	2Q19 Net Income
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	2Q19	2Q18	Variation
Net Income 2Q18			181.9
Net Operating Revenue	3,997.9	3,672.2	325.7
Costs and Expenses	(3,195.0)	(2,617.5)	(577.5)
Other Revenue and Expenses (*)	1.5	17.2	(15.7)
Net Financial	(155.6)	(837.2)	681.6
Income Tax and Social Contribution	(194.4)	(52.8)	(141.6)
Net Income 2Q19			454.4

(*) Including Equity Result

CONTRACT WITH SANTO ANDRÉ

TERM OF DEBT ADJUSTMENT

- ◆ The municipality withdraws pending appeals of Sabesp's collections legal proceedings
- ◆ Sabesp: Court orders debt payments ("Precatórios")
 - ◆ Sabesp suspends the judicial collection of debt
 - ◆ The payments remains suspended during the contract term
 - ◆ The amounts are used as guarantees in the service contract
 - ◆ If the service contract is interrupted, the court orders will be reactivated
 - ◆ R\$ 600 million discount on fines and interest
- ◆ Transfer R\$ 70 million to the municipality in order to end Semasa's activities
- ◆ Semasa employees ceded to Sabesp:
 - ◆ During 6 months - All Semasa's employees will be ceded to Sabesp
 - ◆ From month 7 up to a maximum of 4 years → up to 400 employees will continue to be ceded

CONTRACT

- ◆ 40-year service contract
 - ◆ Water supply, sewage and treatment collection
- ◆ Contract signing parties: State, Municipality and Sabesp
- ◆ Planning shared among State and Municipality (SPMR)
- ◆ Regulator: ARSESP → Tariff, control and monitoring
- ◆ Tariff: the same as SPMR stating in 2021
- ◆ Expected investment of R\$ 917 million over 40 years
- ◆ Transfers to the Municipal Fund for Environmental Sanitation and Infrastructure
 - ◆ R\$ 90 million in the first year of the contract
 - ◆ 4% of net revenue from the second year onwards



sabesp

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