



PRESENTATION

1Q21



AGENDA



THE COMPANY



OUR OPERATIONS



OUR FINANCIAL
PERFORMANCE



SPMR – WATER SITUATION



IR Contacts





Disclaimer

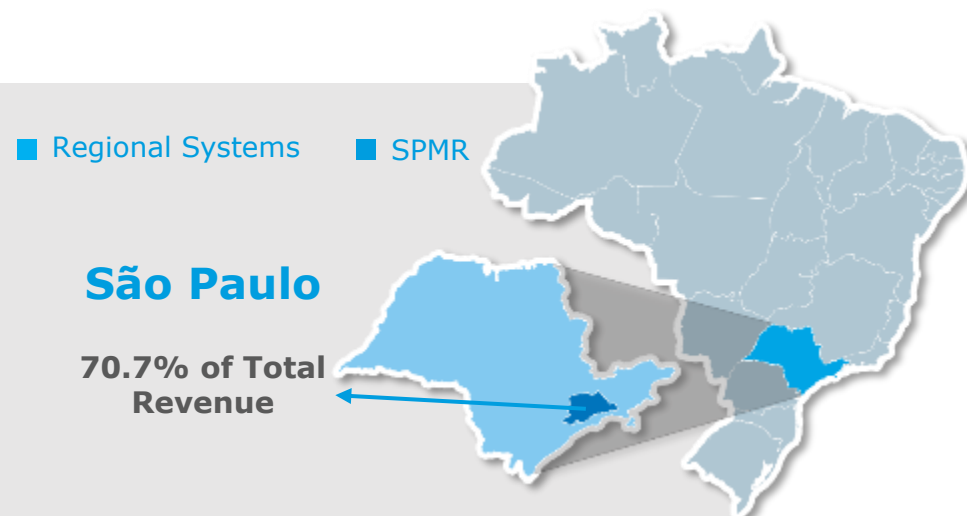


This presentation may contain forward-looking statements referring to Sabesp's business outlook, operating and financial results estimates, and growth prospects. These are only forecasts, and as such, they are exclusively based on Sabesp's management expectation in relation to the future of business 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 rules, industry performance and the Brazilian economy, among other factors, in addition to risks exhibited in disclosure documents filed by Sabesp. Therefore, they are subject to changes without prior notice.

...ONE OF THE LARGEST WATER AND SEWAGE PROVIDERS IN THE WORLD

COMPANY OVERVIEW

- ◆ Sabesp is one of the largest water and sewage service providers in the world based on the number of customers
- ◆ Natural monopoly, low operating risk
- ◆ Serves the City of São Paulo and 374 out of 645 municipalities in the State, covering around 70% of State's urban population
- ◆ Number of employees: 12,742



MAIN OPERATIONAL INDICATORS⁽¹⁾

	Water	Sewage
Connections (million) ⁽²⁾	10.1	8.6
Coverage (%) ⁽³⁾	98	92
Treatment(%) ⁽⁴⁾	-	76
Retail (in million inhabitants)	27.6	24.4
Wholesale (in million inhabitants) ⁽⁵⁾	1.0	0.6
Micromeasured water loss - IPM (%) ⁽⁶⁾	26.8	-
Water loss (Liters/connection x day) IPDt ⁽⁷⁾	257	-
Network ⁽⁸⁾	88.0	60.0

(1) As of March 31, 2021

(2) Active and inactive water connections, It does not include Mauá

(3) Services available, It does not include Mauá

(4) Consumer units connected to the sewage treatment - It does not include Mauá

(5) Water: Mauá, Mogi das Cruzes e São Caetano do Sul / Esgoto: Mogi das Cruzes e São Caetano do Sul

(6) IPM - It includes Guarulhos and does not include Santo André, Mauá, Aguaí, Tapiratiba e Tejuapá

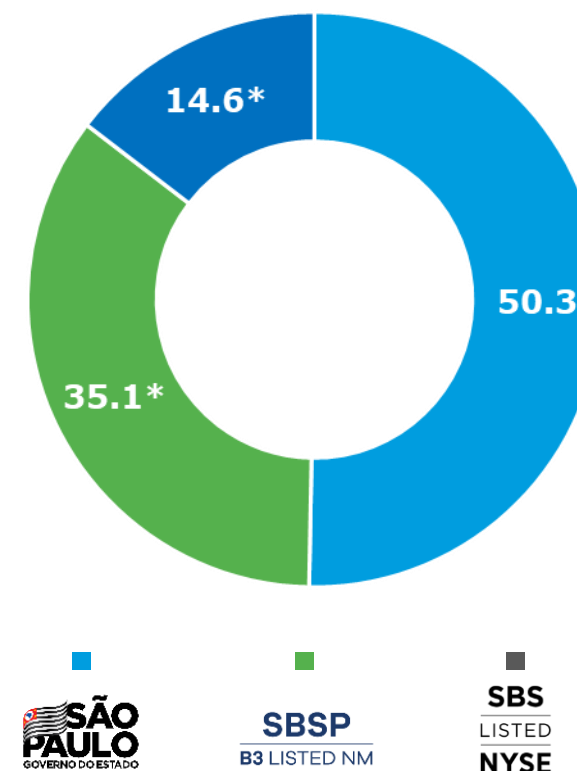
(7) IPDt - It includes Guarulhos and does not include Santo André, Mauá, Aguaí, Tapiratiba e Tejuapá

(8) Water - includes water mains / Sewage - includes ocean outfall and trunk collectors

...WITH STRONG CORPORATE GOVERNANCE

- We are a mixed capital company, majority-owned by the State of São Paulo, with significant private ownership
 - State Law 11,454/2003 requires the State of São Paulo to own at least 50% + 1 of Sabesp voting shares
 - Law nº 13,303/16 – Government-Controlled Companies Law
- **100% Common Shares:**
683,509,869⁽¹⁾
- **Dividend Policy:**
25% - *Pay Out*: 27.9%
- **Market Cap:**
R\$ 28.2 billion⁽²⁾

OWNERSHIP STRUCTURE %⁽³⁾



(1) 1Q21

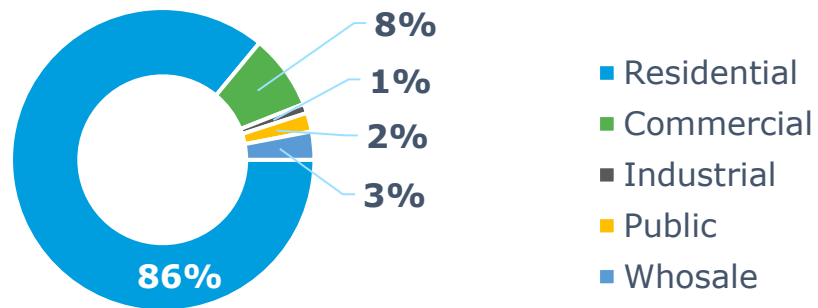
(2) Bloomberg - Data base: March 31, 2021

(3) Data Base: March 31, 2021

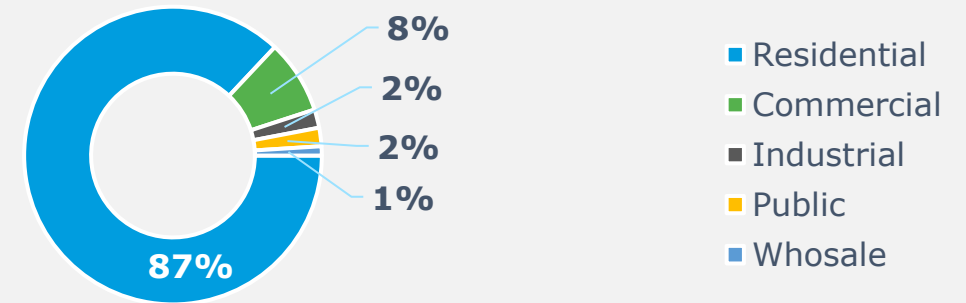
(*) Free Float

DIVERSIFIED CONSUMER BASE

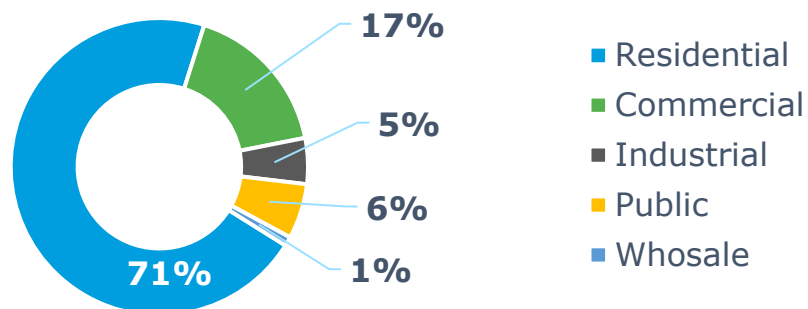
WATER BILLED VOLUME



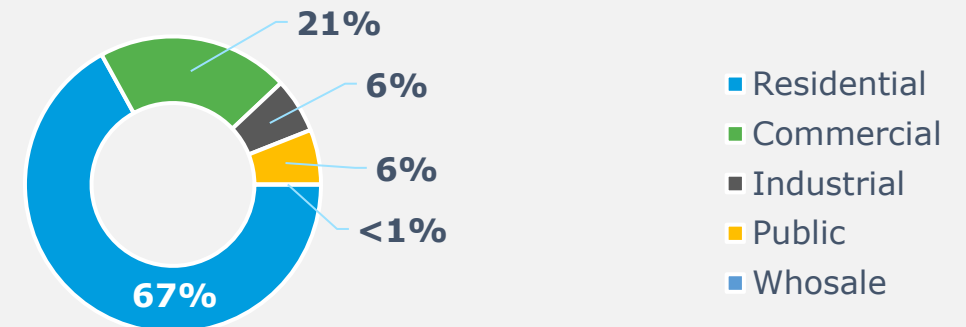
SEWAGE BILLED VOLUME



WATER REVENUE*



SEWAGE REVENUE*



* Approximately 90% of water volume and revenue come from residential, commercial and industrial customer

* Managerial information

* Approximately 90% of sewage volume and revenue come from residential, commercial and industrial customer

BROAD COVERAGE OF MUNICIPALITIES

CONTRACTUAL BASE

	Nº Municipalities	% of Revenue
Expired Contracts	8	0.26
Maturity up to 5 years	3	0.20
Maturity 6 to 10 years	22	3.77
Maturity 11 to 15 years	-	-
Maturity 16 to 20 years	216	56.88
Maturity 21 to 25 years	60	14.22
Maturity 26 to 30 years	60	13.74
Maturity 31 to 35 years	-	-
Maturity 36 to 40 years	6	10.93
Total	375	100.00

MAIN CONTRACTS

Municipality of São Paulo

- Expires in 2040, Transfer of 7,5% of the Gross Revenue* to the Municipal Fund for Environmental Sanitation and Infrastructure
- Minimum investment of 13% of the Gross Revenue, net of Cofins and Pasep

Municipality of Guarulhos**

- Expires in 2058, Transfer of 4% of the Gross Revenue to the Municipal Fund for Environmental Sanitation and Infrastructure
- Investment of R\$ 3,3 bilhões over 40 years

Municipality of Santo André**

- Expires in 2059, Transfer of 4% of the Gross Revenue to Municipal Fund for Environmental Sanitation and Infrastructure
- Investment of R\$ 917 milion over 40 years

Municipality of Mauá**

- Expires in 2060, Transfer of 4% of the Gross Revenue to Municipal Fund for Environmental Sanitation and Infrastructure
- Investment of R\$ 219 milion over 40 years

* Excluding: (i) COFINS and PASEP taxes and (ii) unpaid bills of publicly owned properties in the city of São Paulo

** Guarulhos, Santo André and Mauá have contracts have debt guarantee that are suspended in court during the contractual term

TOP 10 CONTRACTS

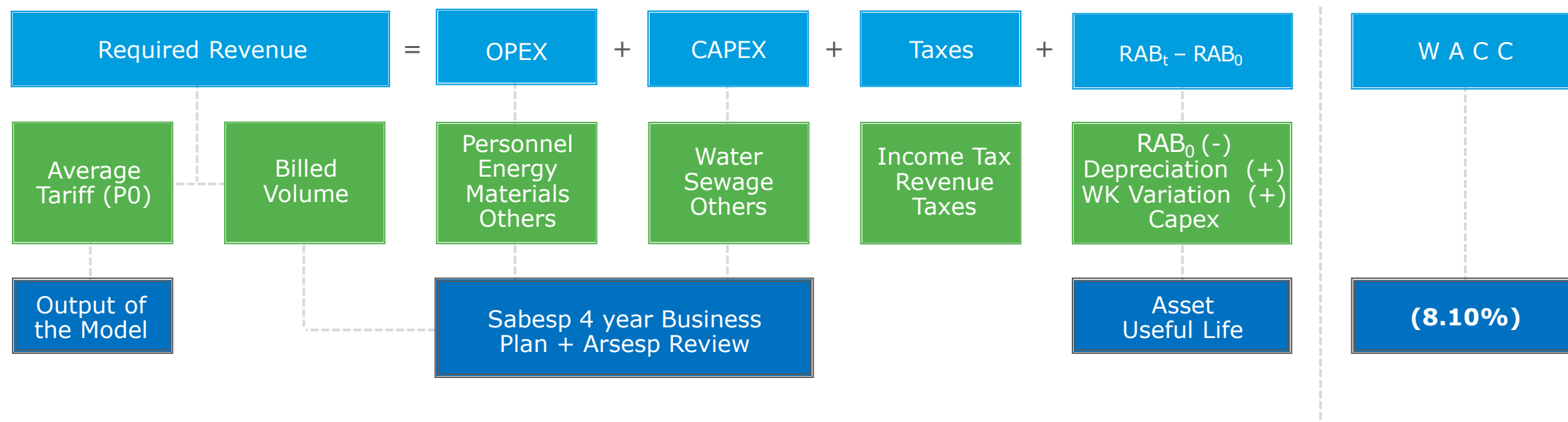
Municipalities	% of Total Revenues (1Q20)	Remaining Period (years)
São Paulo	47.11	19
Santos	7.63	25
Guarulhos	3.55	38
São Bernardo do Campo	3.12	38
Santo André	2.06	39
Osasco	1.89	9
São José dos Campos	1.70	17
Diadema	1.32	23
Barueri	1.15	24
Praia Grande	0.29	28
Total 10+ / Avg	69.82	26

REGULATORY FRAMEWORK



TARIFF REVIEW

METHODOLOGY OF TARIFF REVIEW (PRICE CAP)



ORDINARY TARIFF REVISION (OTR)

	1ª OTR	2ª OTR	3ª OTR
	April/2013 – April/2017	April/2017 – April/2021	April/2021 – April/2025
RAB (R\$ Billion) ⁽¹⁾	26.7	39.0	55.9
WACC (%)	8.06	8.11	8.10
X Factor (%)	0.9386	0.6920	0.2142

⁽¹⁾ Regulatory Asset Base

TARIFF READJUSTMENTS AND REVISIONS

READJUSTMENTS AND REVISIONS INDEXES

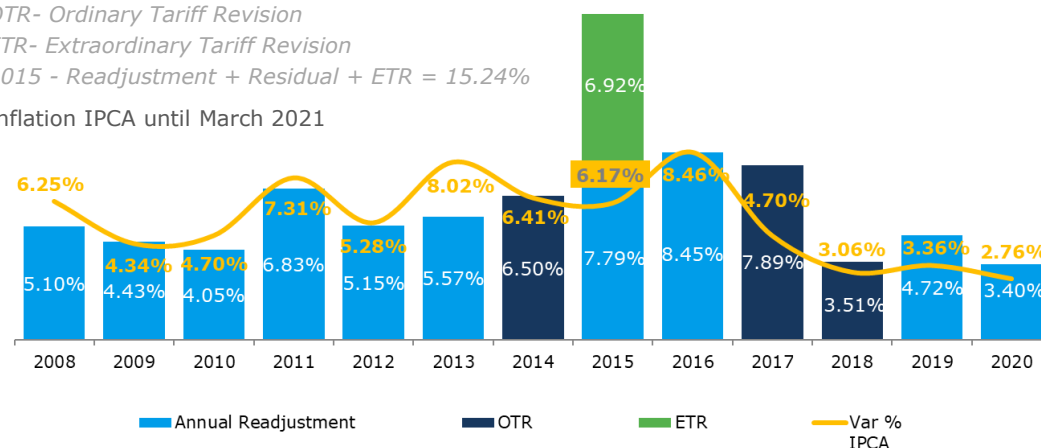
IPCA Index – Between the readjustment/revision periods

OTR- Ordinary Tariff Revision

ETR- Extraordinary Tariff Revision

2015 - Readjustment + Residual + ETR = 15.24%

Inflation IPCA until March 2021



- ARSESP Resolution of April 8, 2021: Tariff readjustment of 7.1% effect on May 10, 2021

ANNUAL TARIFF ADJUSTMENT FORMULA

$$\text{New Average Tariff} = \left[1 + \frac{\text{Inflation (IPCA)} - \text{X Factor (0.2142\%)}}{100} \right] \times \text{Previous Average Tariff} - \text{Quality Factor (0.1188\%)}$$

3rd OTR AND TARIFF STRUCTURE

3rd OTR

- Tariff readjustment in 2021: for residential and non-residential customers (7.6%), social residential (-1.0%) and wholesale (5.45%)

P0

- Final P0 was set at R\$ 5.12/m³ at February 2021 figures

Regulatory Asset Base (RAB)

- R\$ 55.9 billion → includes the municipality of Santo André in the amount of R\$ 1 billion and the reversal of R\$ 3.2 billion written off in the 1st OTR

Tariff Structure will be adopt from 2022

ARSESP defined a 2.5% variation limit for annual revenue (upwards or downwards)

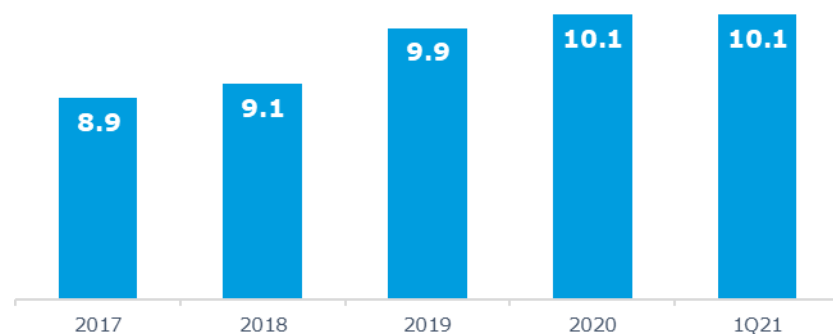
- the amounts that exceed this limit will be compensated in the following annual tariff readjustment
- this mechanism brings security considering the unpredictable revenue

Tariff Revision and Tariff Structure Revision

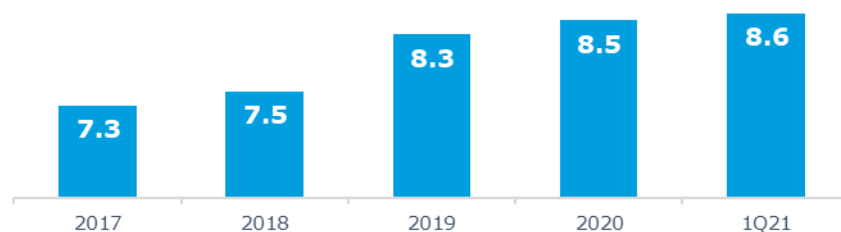
Published on April 8

WATER AND SEWAGE OPERATIONS

WATER CONNECTION EVOLUTION (million)

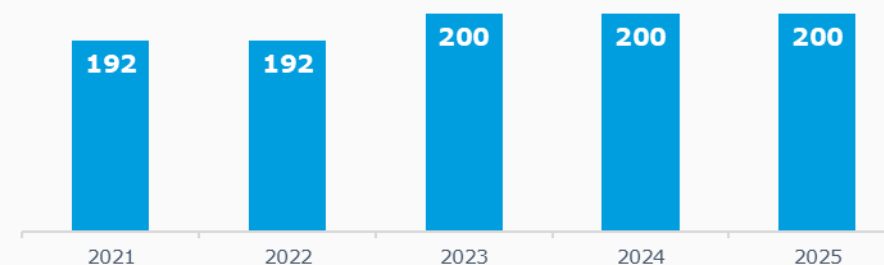


SEWAGE CONNECTION EVOLUTION (million)



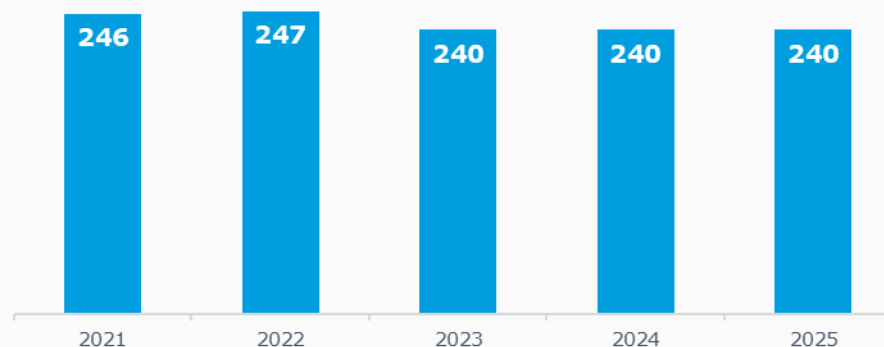
WATER CONNECTION (in 000's)

◆ Add 1,0 million new connections by 2025



SEWAGE CONNECTION (in 000's)

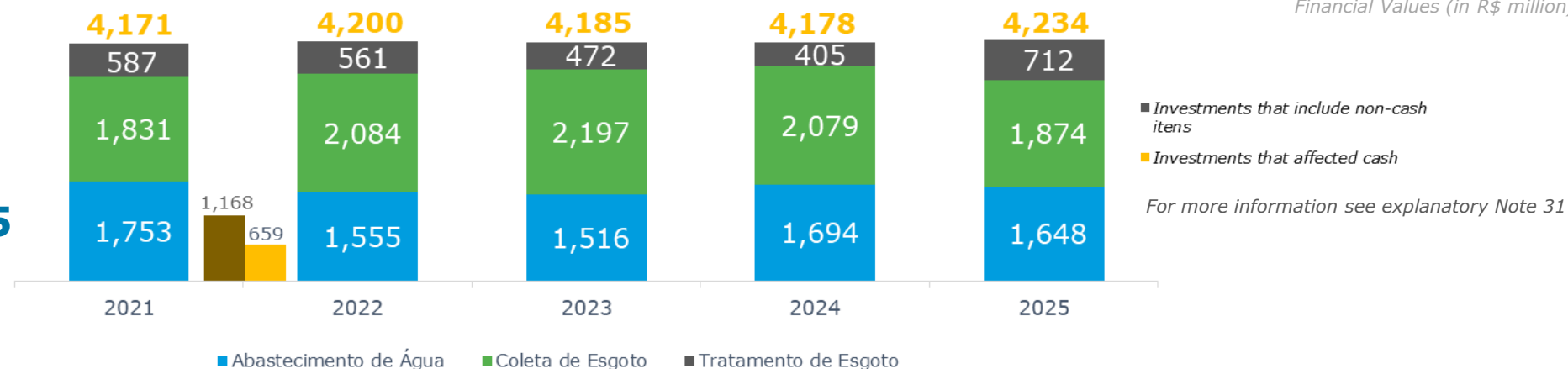
- ◆ Add 1,2 million new connections by 2025
- ◆ Coverage: from 92% in 2020 to 95% in 2025
- ◆ Treatment: from 76% in 2020 to 88% in 2025



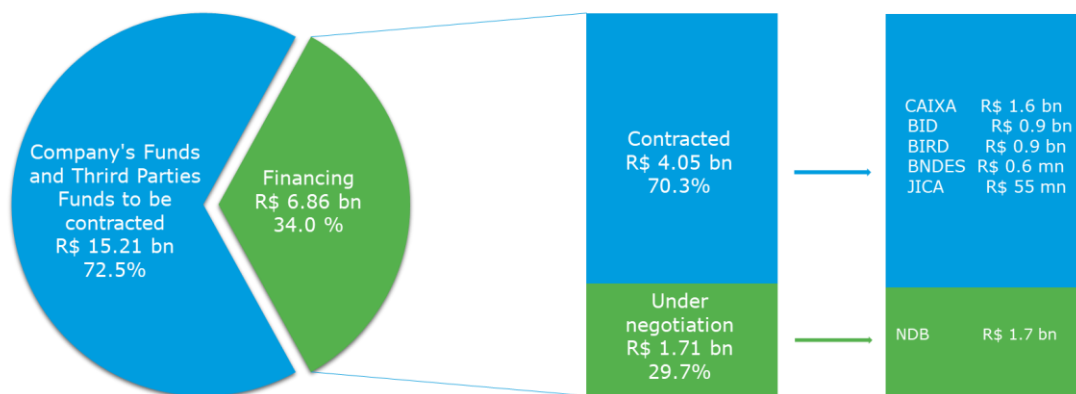
CAPEX AND FINANCING

Financial Values (in R\$ million)

CAPEX PLAN OF R\$ 21.0 BILLION FROM 2021 TO 2025



FINANCING

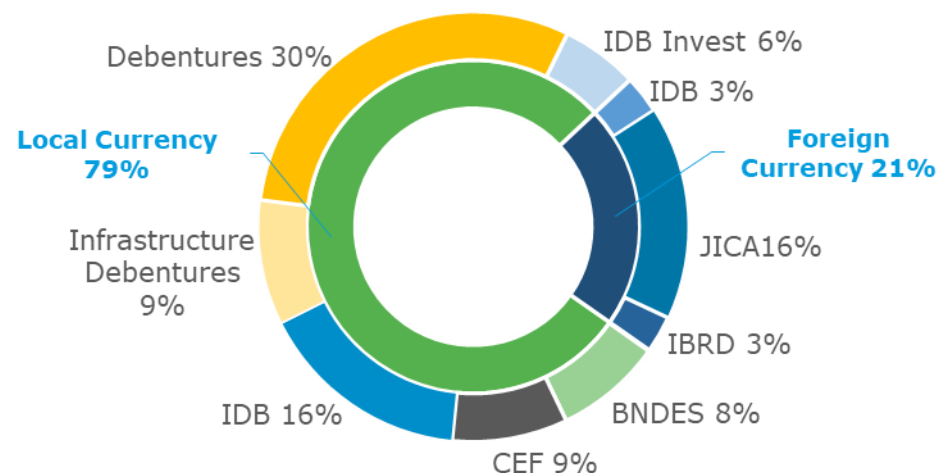


MAIN PROGRAMS

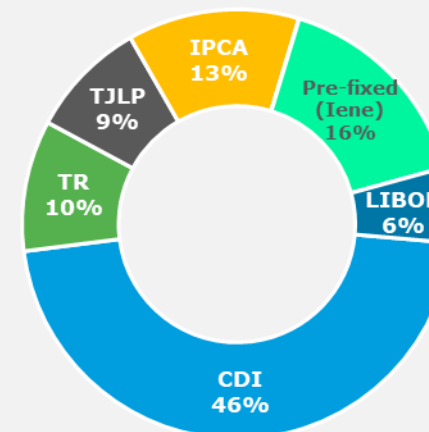
- Metropolitan Water Program
- Tietê Project
- Program for Water Loss Reduction
- Clean Stream Program
- Clean Wave Program
- New Pinheiros River Project

LONG TERM AND LOW COST FUNDING

TOTAL DEBT BREAKDOWN



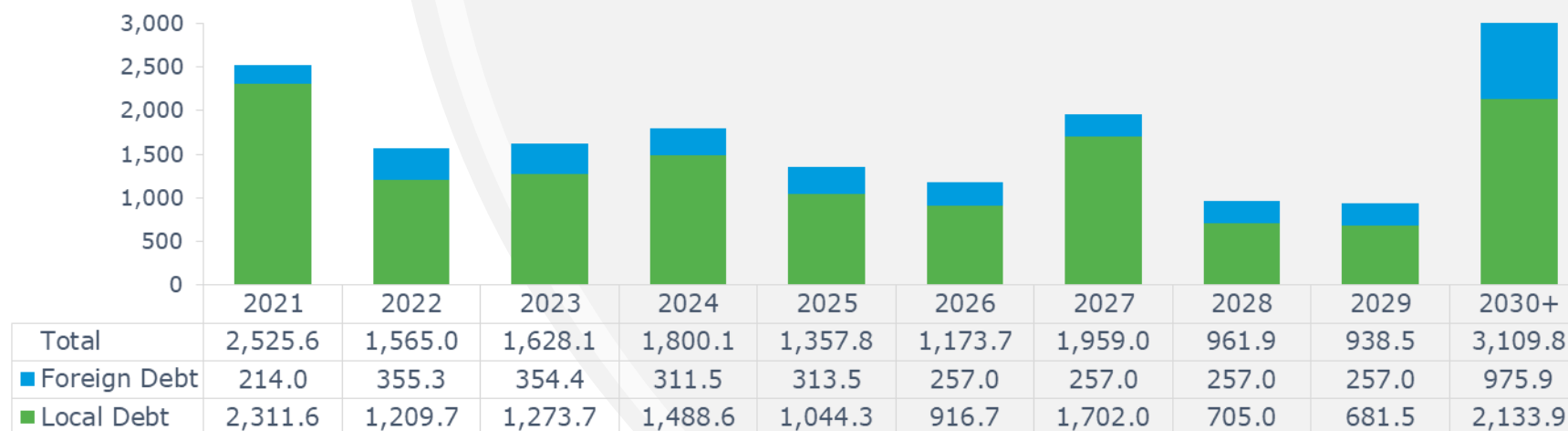
DEBT BY INDEXOR



Nominal Average Cost of Debt

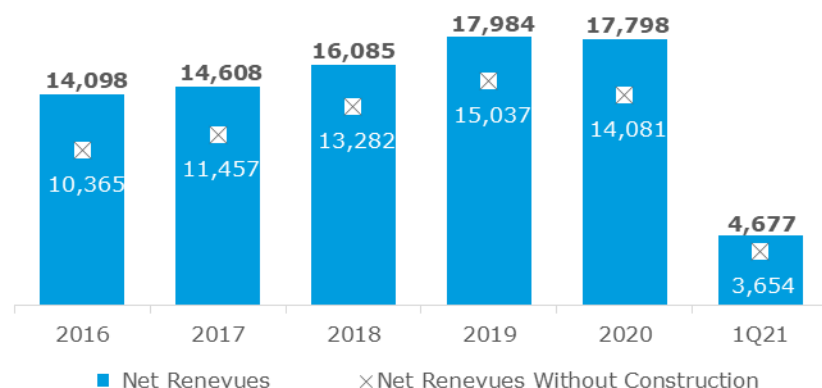
Local	Foreign	General
5.95%	1.65%	5.02%

DEBT AMORTIZATION PROFILE (R\$ million)

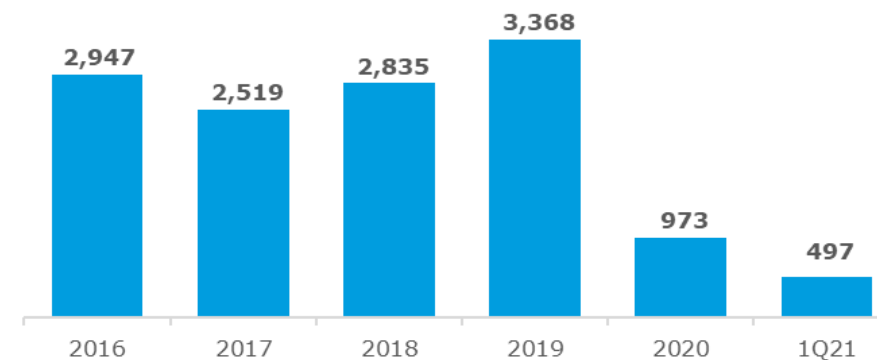


CONSISTENT PERFORMANCES

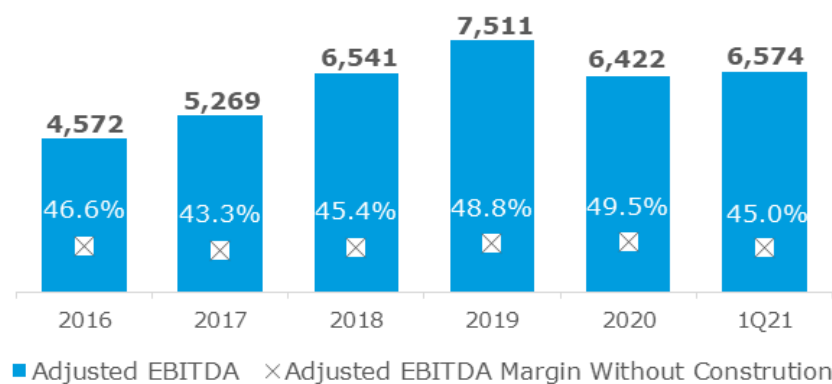
NET REVENUE (R\$ million)



NET INCOME (R\$ million)



ADJUSTED EBITDA* (R\$ million)



DIVIDEND / PAY OUT

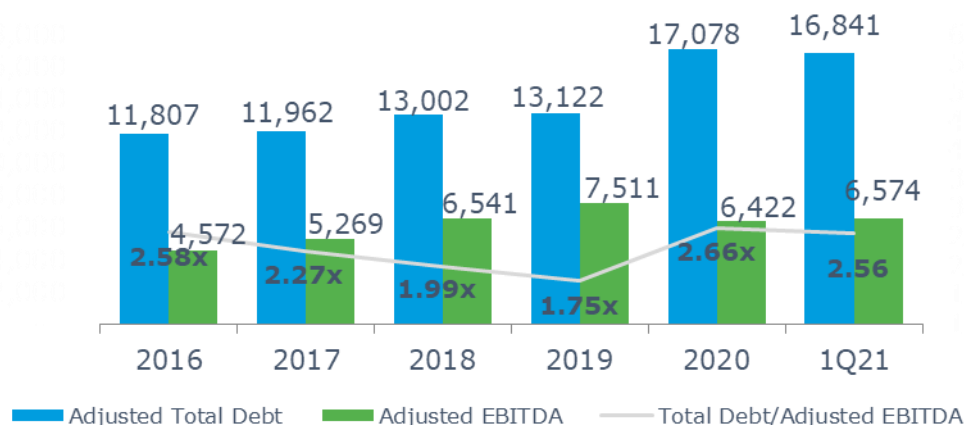
	2015	2016	2017	2018	2019	2020
Dividend (R\$)	0.2	1.2	1.0	1.2	1.4	0.4
Pay Out (%)	27.9	27.9	27.9	27.9	27.9	27.9
Outstanding Shares	683.5	683.5	683.5	683.5	683.5	683.5

* Millions

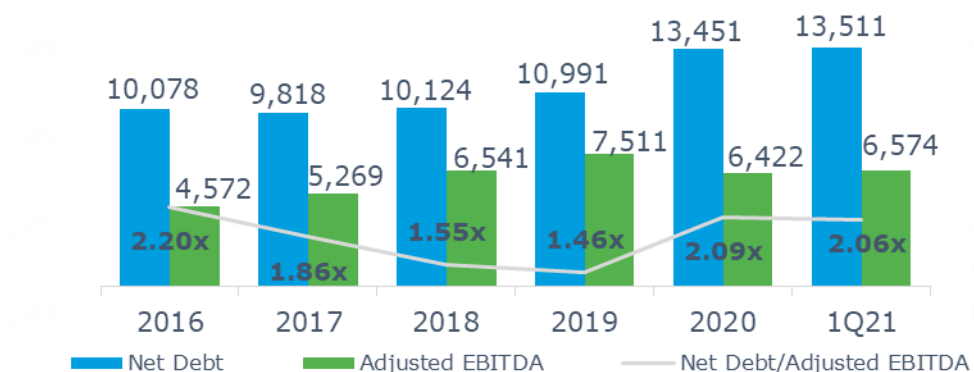
*Adjusted EBITDA / Adjusted EBITDA Margin Without Construction – LTM

HISTORICAL LEVERAGE (R\$ million)

ADJUSTED TOTAL DEBT vs ADJUSTED EBITDA*



NET DEBT vs ADJUSTED EBITDA*

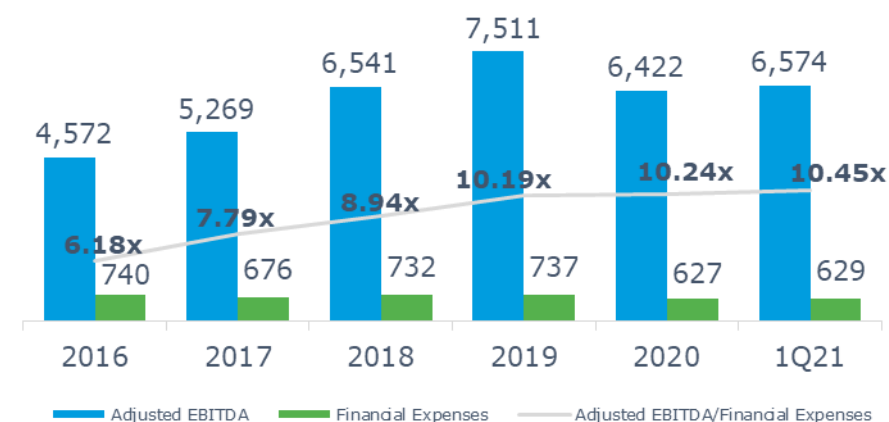


* Adjusted EBITDA - LTM

** Financial Exposures paid - LTM / Calculated in accordance with CPCs/IFRS

1Q21 Presentation

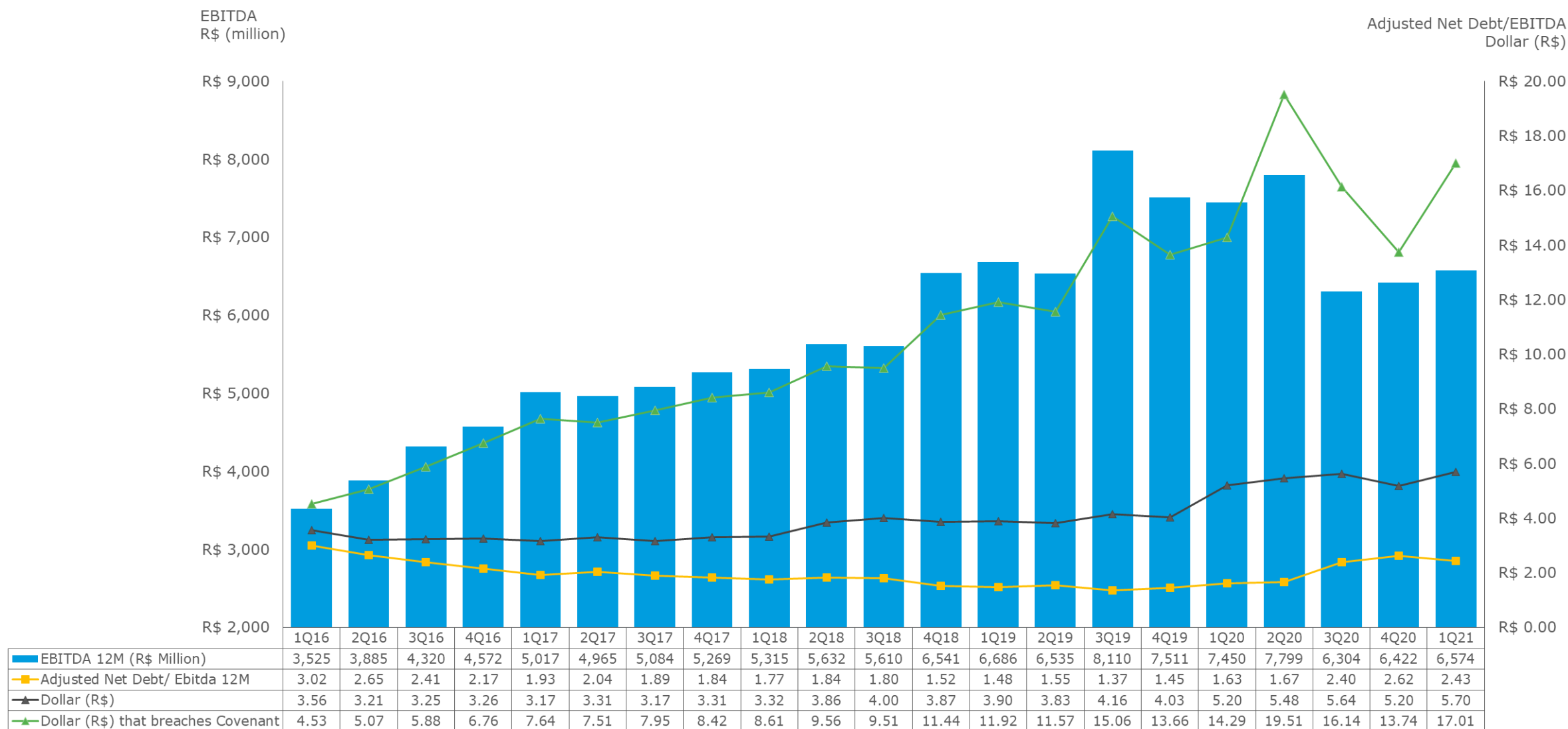
ADJUSTED EBITDA* vs FINANCIAL EXPENSES**



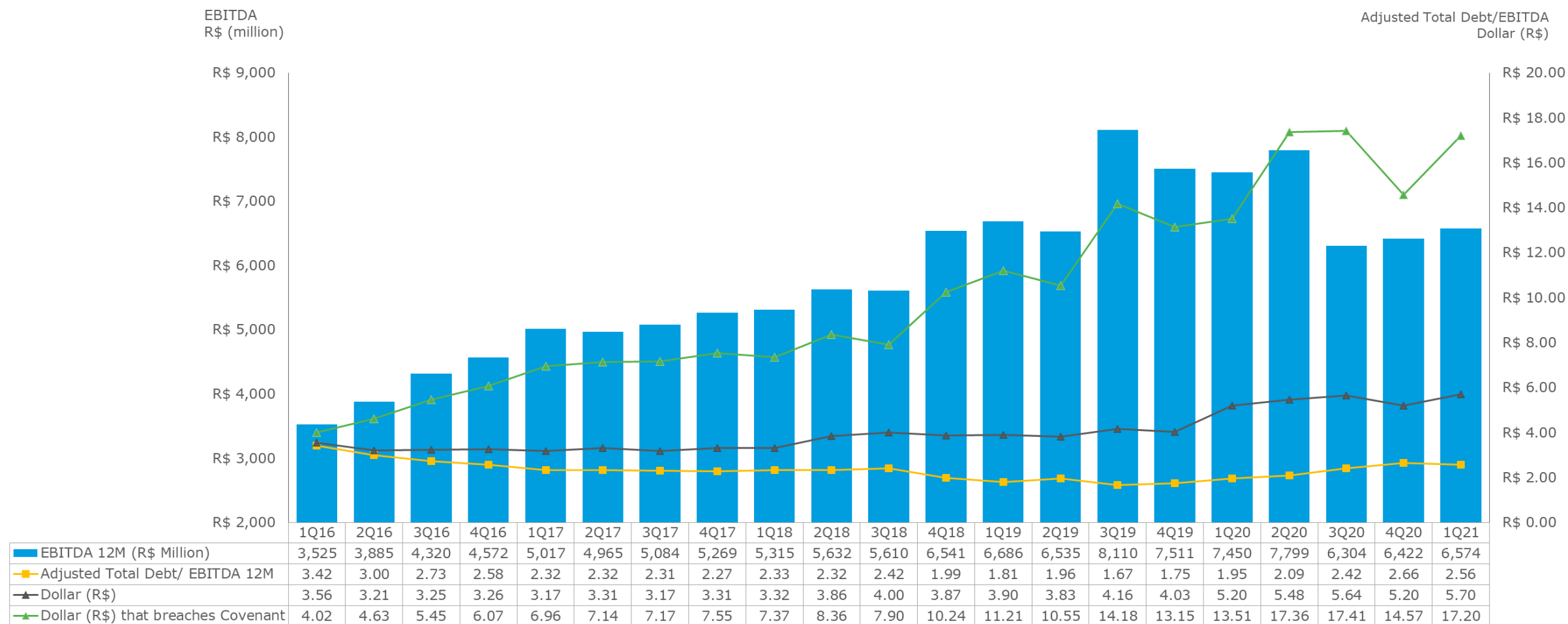
RATINGS

Agencies	National Scale	Global Scale
Standard & Poors	brAAA	BB-
Fitch Rating	AAA (bra)	BB+
Moody's Latam	Aa2,br	Ba2

COVENANT – ADJUSTED NET DEBT vs EBITDA



COVENANT – ADJUSTED TOTAL DEBT vs EBITDA



FINANCIAL HIGHLIGHTS (R\$ million)

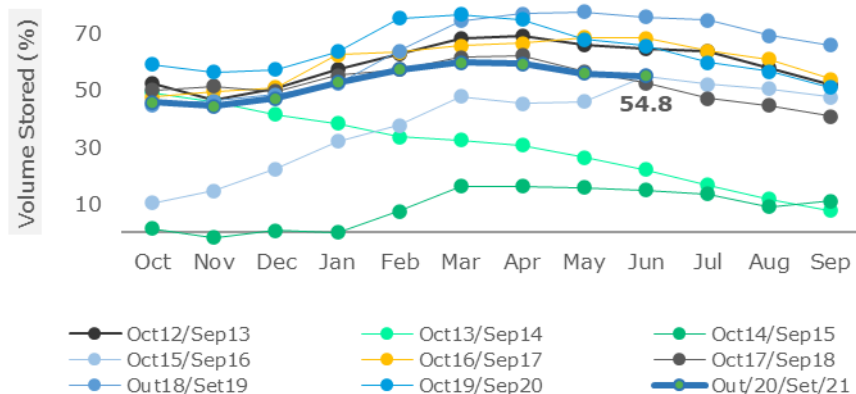
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	1Q21
Net Revenues	8,580	9,231	9,927	10,738	11,316	11,213	11,712	14,098	14,608	16,085	17,984	17,798	4,677
Adjusted EBITDA**	2,727	3,222	3,371	3,605	4,007	2,919	3,974	4,572	5,269	6,541	7,511	6,422	6,574
Adjusted EBITDA Margin**	31.8	34.9	34.0	33.6	35.4	26.0	33.9	32.4	36.1	40.7	41.8	36.1	35.7
Adj, EBITDA Margin without Constr**	41.2	44.7	43.2	43.0	44.6	34.4	46.6	43.3	45.4	48.8	49.5	45.0	45.6
Net Income	1,508	1,630	1,381	1,912	1,924	903	536	2,947	2,519	2,835	3,367	973	497
Net Margin (%)	17.6	17.7	13.9	17.8	17.0	8.1	4.6	20.9	17.2	17.6	18.7	5.5	10.6
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	1Q21
Total Assets	20,243	23,293	25,019	26,476	28,274	30,355	33,707	36,745	39,546	43,565	46,458	50,419	50,907
Total Debt	6,560	8,209	8,423	8,875	9,450	10,786	13,122	11,964	12,101	13,153	13,245	17,259	17,019
Short-term Debt	1,010	1,240	1,629	1,343	641	1,207	1,526	1,247	1,747	2,104	2,860	3,034	2,526
Long-Term Debt	5,548	6,970	6,794	7,533	8,809	9,579	11,595	10,718	10,354	11,049	10,385	14,224	14,493
Foreign Currency Debt	1,746	2,249	3,053	3,216	3,699	4,346	6,618	5,660	5,673	6,669	6,359	3,548	3,552
Shareholders' Equity	8,439	9,682	10,546	11,257	12,931	13,304	13,717	15,419	17,513	19,552	21,636	22,794	23,291
Total Debt/Total Cap, (%)	43.7	45.9	44.4	44.0	42.0	45.0	48.9	43.7	40.9	40.2	38.0	43.1	42,2
Investments	2,059	2,194	2,440	2,536	2,716	3,211	3,482	3,878	3,388	4,177	5,068	4,380	1.168
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	1Q21
Dividend Declared (R\$/ share)	1.7	2.0	2.5	2.3	0.8	0.4	0.2	1.2	1.0	1.2	1.4	0.4	-
Pay Out (%)	26.1	28.0	47.3	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9
Dividend Yield (%)	5.0	4.7	4.9	2.7	3.0	2.2	1.2	4.2	3.0	3.8	2.3	0.9	-
Outstanding shares (million)	227.8	227.8	227.8	227.8	683.5	683.5	683.5	683.5	683.5	683.5	683.5	683.5	683.5

* R\$ / 000 shares

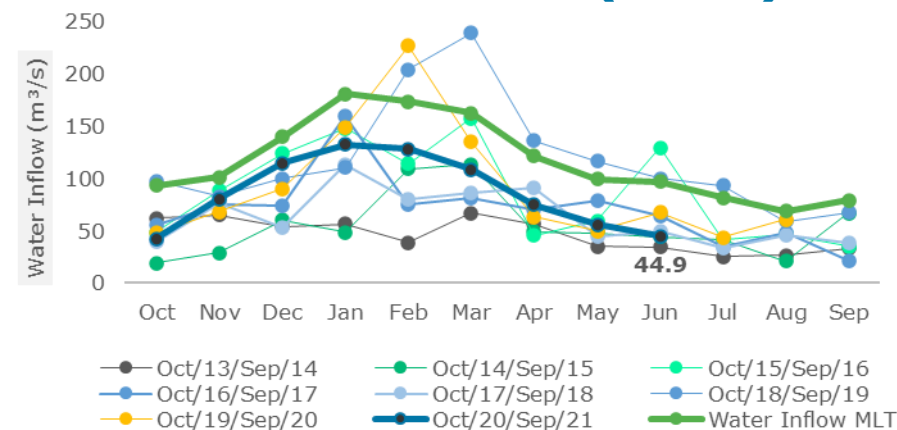
** Last 12 months

SPMR – WATER SITUATION (06/07/2021)

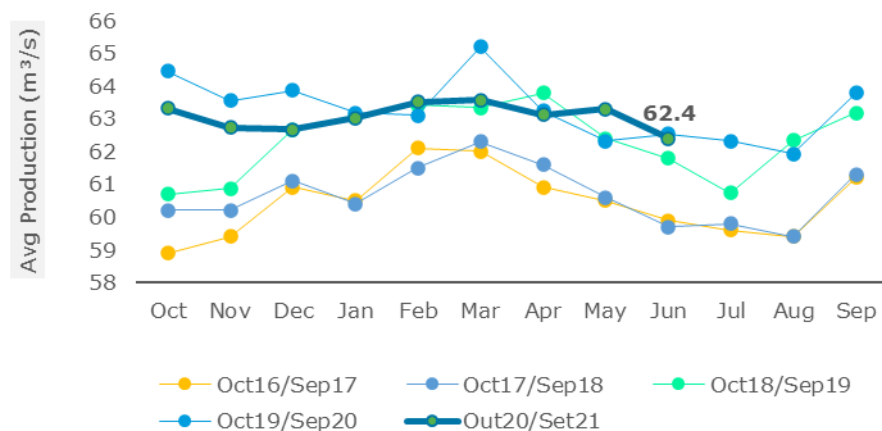
VOLUME STORAGE (%)



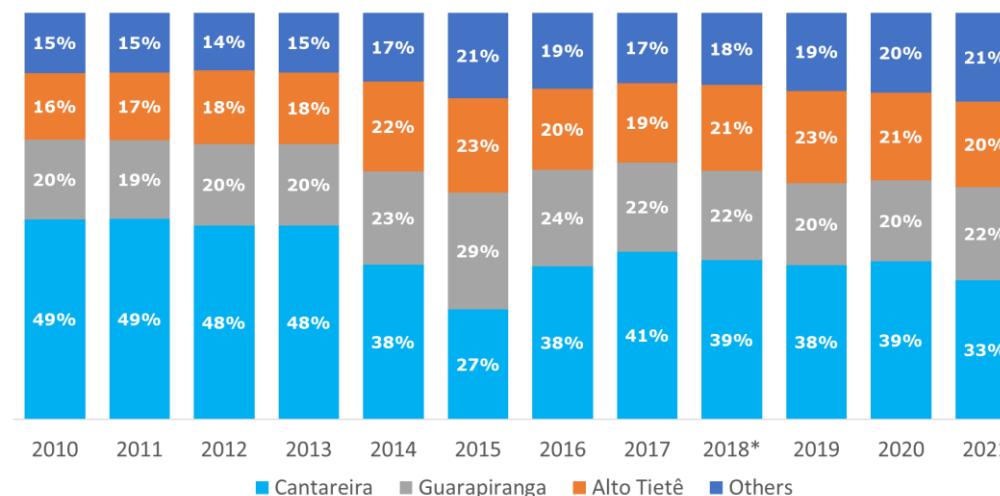
WATER INFLOW (m³/s)



AVERAGE PRODUCTION (m³/s)



PRODUCTION SYSTEMS – AVERAGE PRODUCTION (m³/s)



WATER SUPPLY SYSTEM STRONGER THAN BEFORE THE WATER CRISIS OF 2014/2015

RESERVOIRS	2013	2021	Var. %
Reservoirs (Water Rights) (m ³ /s)	68.9	80.3	16.5
Maximum storage capacity (hm ³) (without the technical reserve of the Cantareira System)	1,816	1,945	7.1
Transfer between reservoirs (m ³ /s)	10.2	26.8	162.7
Produção e Distribuição	2013	2021	Var. %
Urban population in the area served (source: SEADE)	20.1	21.1	5.0 (+1 million inhab)
Total water treatment capacity (m ³ /s)	73.4	81.7	11.3
Water production systems	8	10	25.0
Average monthly production (m ³ /s)	69.1	62.4	(9.7)
Average residential consumption (m ³ /month)	12.9	11.9	(7.8)
Treated water transfer between systems (m ³ /s)	Up to 3	Up to 12	-
IPDt (water loss Liters/connection x day) in the SPMR	446	277	(37.9)

WATER PLAN FOR SPMR – FROM 2015 TO 2022 (MAIN ACTIONS)

DESCRIPTION	FLOW (m ³ /s) AVAILABILITY/ SECURITY	PURPOSE
INITIATIVES ACCOMPLISHED IN 2015		
Reversal increase from Guaratuba River to the Ponte Nova reservoir by 0,5 m ³ /s	0.5	• Recover the storage volume and ensure Alto Tietê's water source
Reversal from the Guaió River to the Taiaçupeba reservoir: 1 m ³ /s	1.0	
Increase of the ABV Water Treatment Station production from 15 to 16 m ³ /s		• Transfer water from Guarapiranga to the Cantareira area via the aqueduct system
Interconnection between: Pequeno River → Grande River (Billings) → Taiaçupeba (Alto Tietê) 4 m ³ /s	4.0	• Recover the storage volume and ensure the Alto Tietê reservoir • Transfer water to Cantareira's area
1 m ³ /s transfer increase from Taquacetuba to Guarapiranga (from 4 to 5 m ³ /s)	1.0	• Ensure Guarapiranga's water source • Transfer water to Cantareira's area
TOTAL 2015	6.5	
INITIATIVES ACCOMPLISHED IN 2018		
Jaguari → Atibainha Interconnection: 5,13 m ³ /s to the Cantareira System (security increase)	5.1	• Recover the storage volume and ensure the Cantareira System's water source
São Lourenço Production System: 6,4 m ³ /s	6.4	• Produce up to 6,4 m ³ /s for the Greater São Paulo's western region
TOTAL 2018	11.5	
INITIATIVE PLANNED FOR 2022		
Reversal from Itapanhaú River (Ribeirão Sertãozinho) to the Biritiba reservoir part of the Alto Tietê System	2.0	• Recover the storage volume and ensure Alto Tietê's water source
TOTAL 2022	2.0	
TOTAL 2015 – 2022	20.0	

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