

May 12, 2025

- Reported earnings of \$1.72 per share, compared to \$1.33 per share in the previous year
- Invested \$2.9 billion in capital toward universalization targets
- Added nearly 130,000 connections

SÃO PAULO, SP – Sabesp (SBSP3) today reported adjusted earnings of \$1.72 per share for the quarter compared to \$1.33 per share in prior year.

“We have successfully executed our 1Q25 plan, including solid double-digit earnings growth. We invested \$2.9 billion towards achieving our universalization targets adding nearly 130,000 connections.” said Daniel Szlak, CFO of Sabesp.

“Sabesp continues to be the leader in all aspects of the water and sewage industry and is the largest pure play, large-cap water utility in the southern hemisphere. We believe this is a mission-driven business and, strive to deliver safe, clean, reliable, and affordable services to those we currently serve and bring dignity and health to even more people in our concession area,” added Carlos Piani, CEO of Sabesp.

### **Consolidated Results**

For the three months ending March 31, 2025, earnings per share were \$1.72, compared to \$1.33 per share in the same period in the previous year. Increased results were driven primarily by the carryover of new rates in the Regulated Businesses, the removal of discounts from large customers, consumption growth and new connections associated with the universalization targets. Results also reflect lower general and administrative costs as well as a decrease in the number of employees, municipal funds, legal accruals. Given the new concession contract, the company also had lower amortization costs which impacted earnings favorably.

In the quarter, the company invested \$2.9 billion (more than double as of the same period of 2024) in infrastructure improvements and expansion directly geared toward its universalization targets.

### **Earnings Conference Call**

The conference call to discuss earnings will take place on Tuesday, May 13, 2025, at 7 a.m. Eastern Standard Time]. Interested parties may listen to an audio webcast through a link on the company’s Investor Relations [website](#). Presentation slides that will be used in conjunction with the earnings conference call will also be made available online in advance.

Following the earnings conference call, a replay of the audio webcast will be available for one year on Sabesp’s Investor Relations [website](#).

## REPORTED INCOME STATEMENT (CONSOLIDATED)

R\$ million

	1Q25	1Q24	Var. (R\$)	%
Revenue from Operations	6.120	5.661	459	8,1
FAUSP	(200)	-	(200)	-
Financial Asset	420	-	420	-
Sales Tax	(502)	(438)	(65)	14,8
<b>(=) Net Sanitation Revenue</b>	<b>5.837</b>	<b>5.223</b>	<b>614</b>	<b>11,7</b>
Construction revenues	2.589	1.337	1.252	93,7
<b>(=) Net Revenue</b>	<b>8.426</b>	<b>6.560</b>	<b>1.866</b>	<b>28,4</b>
Construction costs	(2.589)	(1.307)	(1.282)	98,1
Operating Costs and expenses	(2.439)	(2.834)	394	(13,9)
Other operating income/(expense), net	18	7	11	155,7
Minority Interest	11	9	2	27,6
<b>(=) EBITDA</b>	<b>3.427</b>	<b>2.436</b>	<b>992</b>	<b>40,7</b>
Depreciation and Amortization	(584)	(774)	190	(24,6)
<b>(=) EBIT</b>	<b>2.844</b>	<b>1.662</b>	<b>1.182</b>	<b>71,1</b>
Net Financial result	(593)	(338)	(255)	75,3
<b>(=) EBT</b>	<b>2.251</b>	<b>1.324</b>	<b>927</b>	<b>70,0</b>
Income tax	(769)	(501)	(268)	53,6
<b>(=) Net income</b>	<b>1.482</b>	<b>823</b>	<b>659</b>	<b>80,0</b>
EPS (R\$)*	2,17	1,20		

\* Number of shares = 683,509,869

## ADJUSTED INCOME STATEMENT

R\$ million

	1Q25	Adjustments			1Q25 Adjusted	1Q24 Adjusted	Var. (R\$)	%
		Financial Asset	Construction	Non-Recurring				
Revenue from Operations	6.120	-	-	-	6.120	5.661	459	8,1
FAUSP	(200)	-	-	-	(200)	-	(200)	-
Financial Asset	420	(420)	-	-	-	-	-	-
Sales Tax	(502)	39	-	(28)	(491)	(438)	(54)	12,3
<b>(=) Net Sanitation Revenue</b>	<b>5.837</b>	<b>(381)</b>	<b>-</b>	<b>(28)</b>	<b>5.428</b>	<b>5.223</b>	<b>204</b>	<b>3,9</b>
Construction revenues	2.589	-	(2.589)	-	-	-	-	-
<b>(=) Net Revenue</b>	<b>8.426</b>	<b>(381)</b>	<b>(2.589)</b>	<b>(28)</b>	<b>5.428</b>	<b>5.223</b>	<b>204</b>	<b>3,9</b>
Construction costs	(2.589)	-	2.589	-	-	-	-	-
Operating Costs and expenses	(2.439)	-	-	(10)	(2.449)	(2.671)	222	(8,3)
Other operating income/(expense), net	18	-	-	-	18	7	11	155,7
Minority Interest	11	-	-	-	11	9	2	27,6
<b>(=) EBITDA</b>	<b>3.427</b>	<b>(381)</b>	<b>(0)</b>	<b>(38)</b>	<b>3.008</b>	<b>2.568</b>	<b>440</b>	<b>17,1</b>
Depreciation and Amortization	(584)	-	-	-	(584)	(774)		
<b>(=) EBIT</b>	<b>2.844</b>	<b>(381)</b>	<b>(0)</b>	<b>(38)</b>	<b>2.425</b>	<b>1.794</b>	<b>630</b>	<b>35,1</b>
Net Financial result	(593)	-	-	(45)	(638)	(338)	(300)	88,6
<b>(=) EBT</b>	<b>2.251</b>	<b>(381)</b>	<b>(0)</b>	<b>(83)</b>	<b>1.787</b>	<b>1.456</b>	<b>330</b>	<b>22,7</b>
Income tax	(769)	130	0	28	(611)	(546)	(65)	12,0
<b>(=) Net income</b>	<b>1.482</b>	<b>(252)</b>	<b>(0)</b>	<b>(55)</b>	<b>1.176</b>	<b>911</b>	<b>265</b>	<b>29,1</b>
EPS (R\$)*	2,17				1,72	1,33		

\* Balance adjusted for construction revenue and costs

Non-recurring effects in 1Q25 were (i) Sales tax effective rate on revenue estimate (28)M and (ii) Receipt of court-ordered debt payment (*Precatório*) (55)M which impacted EBITDA favorably in (10)M and financial income in (45)M.

## CONSUMPTION BY CATEGORY

Category	Billed Volume (millions of m <sup>3</sup> )			Average Tariff (R\$/m <sup>3</sup> )		
	1Q25	1Q24	%	1Q25	1Q24	%
Residential	939	929	1,1	4,21	4,15	1,4
Commercial	98	96	1,9	15,04	13,41	12,1
Industrial	18	18	2,6	19,06	16,06	18,7
<b>Total Retail</b>	<b>1.055</b>	<b>1.043</b>	<b>1,2</b>	<b>5,47</b>	<b>5,21</b>	<b>5,1</b>
Wholesale	17	17	(1,7)	2,18	2,27	(3,6)
Others <sup>1</sup>	25	25	1,7	18,03	16,98	6,1
<b>Total</b>	<b>1.098</b>	<b>1.086</b>	<b>1,1</b>	<b>5,71</b>	<b>5,43</b>	<b>5,1</b>
Olímpia	3	3	(0,5)	3,43	2,53	35,7
<b>Total</b>	<b>1.101</b>	<b>1.088</b>	<b>1,1</b>	<b>5,71</b>	<b>5,42</b>	<b>5,2</b>

Number of connections in thousands <sup>1</sup>	1Q25	1Q24	Var. (Qty)	%
Water	9.491	9.437	54	0,6
Sewage	8.219	8.144	75	0,9

(1) Active and registered connections, average by end of period  
Unaudited by external auditors

## OPEX

R\$ million

	1Q25 adjusted	1Q24 adjusted	Var. (R\$)	%
Personnel	655	708	(54)	(7,6)
General supplies	70	91	(21)	(23,4)
Treatment supplies	158	141	17	11,9
Services	696	683	13	1,9
Electricity	440	394	46	11,6
General expenses	264	443	(179)	(40,4)
Tax expenses	21	20	0	1,3
Allowance for doubtful accounts	147	191	(44)	(23,0)
Other revenues and expenses	(29)	(16)	(13)	84,4
<b>Costs and Expenses</b>	<b>2.420</b>	<b>2.655</b>	<b>(236)</b>	<b>(8,9)</b>
Depreciation and Amortization	584	774	(190)	(24,6)
<b>Costs, Expenses, Depreciation and Amortization</b>	<b>3.003</b>	<b>3.429</b>	<b>(426)</b>	<b>(12,4)</b>

## PERSONNEL

Number of employees	1Q25	1Q24	Var. (Qty)	%
Employees at the end of each period	9,700	10,729	(1,029)	(9,6)
Employees – simple average	10,089	10,888	(799)	(7,3)

## INVESTMENTS

R\$ million

	1Q25	1Q24	Var. (R\$)	%
Water	615	669	(54)	(8,1)
Sewage	2.236	751,1	1.485	197,7
<b>Total</b>	<b>2.851</b>	<b>1.420</b>	<b>1.431</b>	<b>100,7</b>

## Balance Sheet (CONSOLIDATED)

R\$ '000

ASSETS	1Q25	4Q24
<b>Current</b>	<b>13.501.674</b>	<b>10.608.860</b>
Cash and equivalents	3.640.153	1.682.606
Financial investments	4.496.429	3.699.694
Trade Accounts receivable	4.070.804	3.894.557
Related parties receivable	258.934	319.546
Inventory	82.946	10.818
Restricted cash	39.110	37.715
Taxes	822.388	800.811
Derivatives	0	67.440
Others	90.910	95.673
<b>Non-Current</b>	<b>72.189.265</b>	<b>70.356.570</b>
Financial investments	0	769.057
Trade Accounts receivable	265.172	327.798
Related parties receivable	908.891	908.875
Legal Deposits	134.265	139.222
Taxes	0	0
National Water and Sanitation Agency (ANA)	2.052	1.993
Others	107.754	135.227
Investments	225.791	215.803
Land	20.155	46.630
Contract assets	6.908.687	4.877.667
Financial assets	18.189.959	17.601.626
Intangibles	44.808.665	44.771.124
PP&E	617.874	561.548
<b>Total assets</b>	<b>85.690.939</b>	<b>80.965.430</b>

LIABILITIES AND EQUITY	1Q25	4Q24
<b>Current Liabilities</b>	<b>12.412.119</b>	<b>11.972.245</b>
Trade Accounts Payable	1.068.574	766.609
Debt	2.864.778	3.133.850
Labor	992.365	1.286.193
Taxes	614.483	591.271
Deferred Sales Tax	81.145	0
Shareholders Distributions (Dividends and Interest over Own Capital)	2.275.890	2.275.890
Legal Accruals	1.568.667	1.546.185
Services Accounts Payable	1.981.862	1.438.507
Public-Private Partnership (PPP)	455.870	452.323
Derivatives	111.986	0
Program Contract Commitments	217.559	287.109
Others	178.940	194.308
<b>Non-Current Liabilities</b>	<b>34.880.900</b>	<b>32.065.131</b>
Debt	24.773.544	22.124.447
Deferred Income Tax	2.728.265	2.661.891
Deferred Sales Tax	1.075.532	1.117.804
Legal Accruals	975.722	895.495
Pension	1.939.511	1.931.145
Public-Private Partnership (PPP)	2.873.686	2.853.896

Program Contract Commitments	128.350	137.441
Others	386.290	343.012
<b>Total Liabilities</b>	<b>47.293.019</b>	<b>44.037.376</b>
<b>Equity</b>	<b>38.397.920</b>	<b>36.928.054</b>
Paid-in Capital	18.400.000	15.000.000
Profit Reserves	18.247.715	21.647.715
OCI	268.113	280.339
Retained Earnings	1.482.092	0
<b>Total Equity and Liabilities</b>	<b>85.690.939</b>	<b>80.965.430</b>

## Consolidated Cash Flow Statement

R\$ '000	1Q25	1Q24
<b>Operating Free Cash Flow</b>	<b>3.206.487</b>	<b>2.828.032</b>
Pre-tax Earnings	2.250.926	1.323.860
Depreciation and Amortization	583.560	773.785
PP&E and Intangibles Write-offs	934	918
Allowance for doubtful accounts	136.699	190.518
Accruals and inflation adjustment	158.411	83.945
Accrued Interest on Debt	533.137	344.775
Inflation adjustment and FX gains/(losses) Debt	59.312	47.701
Debt inflation adjustment	(33.782)	-
Interest and inflation adjustment net gains/(losses)	(160.113)	(55.219)
Financial charges to customers	(87.593)	(109.237)
Construction Margin	-	(30.046)
Provision for Consent Decrees (TAC) and Voluntary Termination Programs	(295.866)	(107.796)
Minority Interest	(11.348)	(8.893)
Interest and inflation adjustment (Public-Private Partnerships)	159.821	145.823
Municipal Funds Accruals	120.900	174.673
Pension	65.272	48.879
Currency Derivatives	92.601	-
Financial Asset Bifurcation	(420.229)	-
Deferred Tax on Financial Asset	62.885	-
Other adjustments	(9.040)	4.346
<b>Changes in Assets</b>		
Trade Accounts Receivable	(152.222)	(154.632)
Related parties	70.287	6.553
Inventory	(50.672)	(36.158)
Taxes	(21.577)	166.474
Legal deposits	41.907	12.497
Other	33.147	(41.024)
<b>Changes in Liabilities</b>		
Trade Accounts Payable	(746.743)	(419.392)
Services Payable	422.455	(86.703)
Labor	(12.261)	33.630
Taxes	(304.152)	(85.314)
Deferred Sales Taxes	(24.012)	5.168
Accruals	(55.701)	(47.176)
Pension	(57.008)	(60.520)
Other	(119.731)	74.992
<b>Cash flows from Operations</b>	<b>2.230.204</b>	<b>2.196.427</b>
Paid interest	(760.885)	(473.596)
Income Tax and Social Contribution	(368.799)	(325.403)

<b>Net Cash flows from Operations</b>	<b>1.100.520</b>	<b>1.397.428</b>
	<b>1Q25</b>	<b>1Q24</b>
<b>Cash flows from Investments</b>	<b>(1.474.139)</b>	<b>(2.284.817)</b>
Acquisition of contract and intangible assets	(1.489.186)	(571.418)
Restricted cash	(1.395)	9.250
Financial investments - Investment	(4.360.677)	-
Financial investments - Redemption	3.668.798	-
Financial Investments	769.057	(1.706.738)
Investments	-	-
Purchases of tangible assets	(60.736)	(15.911)
<b>Cash flows from Financing Activities</b>	<b>2.331.166</b>	<b>2.068.296</b>
New Debt	3.636.828	2.939.695
Debt repayment	(1.126.479)	(660.026)
Public-Private Partnership (PPP)	(136.484)	(209.734)
Program Contract Commitments	-	(1.639)
Currency Derivatives	(42.699)	-
<b>Free Cash Flow to Equity</b>	<b>1.957.547</b>	<b>1.180.907</b>
Cash at Beginning of Period	1.682.606	838.484
Cash at End of Period	3.640.153	2.019.391