

August 11, 2025

- Reported earnings of R\$3.12 per share, compared to R\$1.77 per share in the previous year
- Invested R\$ 3.6 billion in capital toward universalization targets (R\$ 6.5 billion in 1H25)
- Added 161,000 connections vs. 2Q24

SÃO PAULO, SP – Sabesp (SBSP3) today reported earnings of R\$3.12 per share for the quarter compared to R\$1.77 per share in prior year.

“We delivered another quarter of strong performance, marked by solid earnings growth and robust cash generation, underscoring the materialization of our efficiency journey. Our accelerated investment pace, reaching R\$ 3.6 billion this quarter and sequentially increasing, is a clear reflection of our commitment to universalization. We are executing our strategy swiftly, expanding access to clean water and sanitation across our entire concession area,” said Daniel Szlak, CFO of Sabesp.

“Sabesp remains firmly committed to its mission of transforming lives through infrastructure. In the first year following privatization, we successfully expanded access to clean water for over 1.3 million people and provided sewage treatment to more than 1.4 million. This remarkable progress underscores the purpose that drives us. As the leading water and sewage company in Latin America, our initiatives reflect a powerful blend of operational excellence and meaningful social impact. These achievements are a testament to the dedication of our teams and the strength of our long-term strategy,” said Carlos Piani, CEO of Sabesp.

Consolidated Results

For the three months ended June 30, 2025, Sabesp reported earnings per share of R\$ 3.12, a significant increase compared to R\$ 1.77 in the same period of the previous year. This performance was driven by a combination of factors, including the carryover of new tariff rates in the Regulated Businesses, the elimination of discounts for large customers, increased consumption, and the addition of new connections aligned with the company’s universalization goals. The quarter also benefited from improved cost efficiency, with reductions in general and administrative expenses, a leaner workforce, lower municipal fund allocations, and decreased legal accruals. Additionally, the new concession contract contributed to lower amortization expenses, positively impacting net earnings.

Sabesp invested R\$ 3.6 billion in the quarter—an increase of 26% compared to 1Q25 and 178% year-over-year—focused on infrastructure upgrades and expansion projects directly supporting its universalization targets.

Earnings Conference Call

The conference call to discuss earnings will take place on Tuesday, August 12, 2025, at 8:30 a.m. Eastern Standard Time (9:30 a.m. Brasília 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

	2Q25	2Q24	Var. (R\$)	%	YTD 25	YTD 24	Var. (R\$)	%
Revenue from Operations	6,187	5,933	254	4,3	12,306	11.594	712	6,1
FAUSP	(203)	-	(203)	-	(404)	-	(404)	-
Financial Asset	272	-	272	-	692	-	692	-
Sales Tax	(374)	(457)	83	(18,2)	(876)	(895)	19	(2,1)
(=) Net Sanitation Revenue	5,882	5,476	406	7,4	11,719	10.699	1.020	9,5
Construction revenues	3,083	1,274	1,809	142,0	5,672	2.611	3.061	117,3
(=) Net Revenue	8,965	6,749	2,215	32,8	17,391	13.310	4.081	30,7
Construction costs	(3,083)	(1,245)	(1,838)	147,6	(5,672)	(2.552)	(3.120)	122,3
Operating Costs and expenses	(2,035)	(2,513)	478	(19,0)	(4,474)	(5.347)	873	(16,3)
Other operating income/(expense), net	29	7	23	330,5	47	14	34	241,4
Minority Interest	13	8	5	66,5	25	17	8	45,9
(=) EBITDA	3,890	3,006	883	29,4	7,317	5.442	1.875	34,5
Depreciation and Amortization	(543)	(789)	246	(31,2)	(1,127)	(1.563)	436	(27,9)
(=) EBIT	3,346	2,217	1,130	51,0	6,190	3.879	2.311	59,6
Net Financial result	(118)	(462)	344	(74,4)	(711)	(800)	89	(11,1)
(=) EBT	3,228	1,755	1,473	84,0	5,479	3.079	2.400	78,0
Income tax	(1,092)	(545)	(547)	100,3	(1,861)	(1.046)	(815)	77,9
(=) Net income	2,136	1,209	926	76,6	3,618	2.033	1.585	78,0
EPS (R\$)*	3,12	1,77			5,29	2,97		

* Number of shares = 683,509,869

ADJUSTED INCOME STATEMENT

R\$ million

	2Q25	Adjustments			2Q25 Adjusted	2Q24 Adjusted	Var. (R\$)	%
		Financial Asset	Construction	Non- Recurring				
Revenue from Operations	6,187	-	-	-	6,187	5,933	254	4.3
FAUSP	(203)	-	-	-	(203)	-	(203)	-
Financial Asset	272	272	-	-	-	-	-	-
Sales Tax	(374)	(25)	-	-	(349)	(457)	109	(23.7)
(=) Net Sanitation Revenue	5,882	247	-	-	5,635	5,476	159	2.9
Construction revenues	3,083	-	3,083	-	-	-	-	-
(=) Net Revenue	8,965	247	3,083	-	5,635	5,476	159	2.9
Construction costs	(3,083)	-	(3,083)	-	-	-	-	-
Operating Costs and expenses	(2,035)	-	-	8	(2,043)	(2,513)	470	(18.7)
Other operating income/(expense), net	29	-	-	17	12	7	6	80.9
Minority Interest	13	-	-	-	13	8	5	66.5
(=) EBITDA	3,890	247	0	25	3,617	2,977	640	21.5
Depreciation and Amortization	(543)	-	-	-	(543)	(789)	246	(31.2)
(=) EBIT	3,346	247	0	25	3,074	2,188	886	40.5
Net Financial result	(118)	-	-	-	(118)	(462)	(344)	(74.4)
(=) EBT	3,228	247	0	25	2,956	1,726	1,230	71.2
Income tax	(1,092)	(84)	-	(9)	(999)	(535)	(464)	86.6
(=) Net income	2,136	163	0	17	1,956	1,191	766	64.3
EPS (R\$)*	3,12				2,86	1,74		

* Balance adjusted for construction revenue and costs

Non-recurring effects in 2Q25 were (i) sales of debt payment (*Precatório*) +8M in allowance for doubtful accounts and +17M other income and expenses.

ADJUSTED NET REVENUE

Net revenue from sanitation services considering FAUSP¹ was R\$ 5,635 million in 2Q25 (+3% vs. R\$ 5,476 million in 2Q24). The main factors in the year were:

- **+5% in the price:** 2024 tariff cycle carryover and removal of discounts for large clients;
- **+4% in billed volume:** +2% consumption increase and +1.5% new economies;
- **(3)% in Mix:** growth of economies with access to subsidized tariffs +764k residential connections;
- **(4)% FAUSP:** initiated in July 2024;

CONSUMPTION BY CATEGORY

Category	Billed Volume (millions of m³)			Average Tariff (R\$/m³)		
	2Q25	2Q24	%	2Q25	2Q24	%
Residential	931	921	1.1	4.01	4.07	(1.5)
Commercial	100	94	6.4	14.01	13.42	4.4
Industrial	18	19	(5.3)	18.26	14.76	23.7
Total Retail	1,049	1,034	1.5	5.21	5.15	1.2
Wholesale	13	18	(27.8)	2.77	2.86	(3.2)
Others ¹	36	28	28.6	14.74	15.50	(4.9)
Total	1,099	1,080	1.8	5.49	5.43	1.1

Category	Billed Volume (millions of m³)			Average Tariff (R\$/m³)		
	YTD25	YTD24	%	YTD25	YTD24	%
Residential	1,864	1,857	0.4	4.06	4.03	0.7
Commercial	198	187	5.9	13.85	12.60	9.9
Industrial	37	37	0.0	17.87	14.85	20.4
Total Retail	2,098	2,081	0.9	5.22	5.02	4.1
Wholesale	29	35	(17.1)	2.70	2.77	(2.5)
Others ¹	72	53	35.8	13.88	15.02	(7.6)
Total	2,199	2,169	1.4	5.47	5.28	3.8

Number of connections in thousands ¹	2Q25	2Q24	Var. (Qty)	%
Water	9,506	9,434	72	0.7
Sewage	8,239	8,150	89	1.1

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

OPEX

OPEX decreased by R\$ 476 million in Q2 (19)%. The main driver for the reduction was (i) +R\$ 399 million in general and administrative due +R\$ 200 million legal accruals and prepayments of municipal funds (FMSAI) +R\$ 96 million and (ii) +R\$ 77 million personnel expense driven by (11)% HC reduction. In the YTD, the decrease was R\$ 702 million (14)%.

R\$ million

	2Q25 adjusted	2Q24 adjusted	Var. (R\$)	%	YTD 25 adjusted	YTD 24 adjusted	Var. (R\$)	%
Personnel	(672)	(749)	77	(10.3)	(1,326)	(1,457)	130	(9.0)
General supplies	(39)	(85)	46	(54.2)	(109)	(176)	67	(38.1)
Treatment supplies	(86)	(124)	39	(31.0)	(244)	(266)	21	(8.3)
Services	(610)	(663)	53	(8.0)	(1,306)	(1,346)	37	(3.0)
Energy	(401)	(387)	(14)	3.7	(842)	(781)	(62)	7.8
General expenses	(15)	(414)	399	(96.5)	(278)	(856)	577	(67.5)
Tax expenses	(24)	(19)	(5)	26.9	(45)	(40)	(5)	12.5
Allowance for doubtful accounts	(195)	(72)	(124)	172.7	(342)	(262)	(80)	30.5
Other revenues and expenses	12	7	6	80.9	30	14	17	76.5
Costs and Expenses	(2,030)	(2,506)	476	(19.0)	(4,461)	(5,167)	702	(13.7)
Depreciation and Amortization	(543)	(789)	246	(31.2)	(1,127)	(1,563)	434	(27.9)
Costs, Expenses, Depreciation and Amortization	(2,574)	(3,296)	722	(21.9)	(5,588)	(6,730)	1,135	(17.0)

PERSONNEL

There was a decrease of R\$ 77 million (10)% in 2Q25, mainly due to the 11% reduction in the number of employees.

Number of employees	2Q25	2Q24	Var. (Qty)	%
Employees at the end of each period	9,190	10,214	(1,024)	(10.0)
Employees – simple average	9,305	10,414	(1,109)	(10.6)

INVESTMENTS

Investments totaled R\$ 6,452 million in first half, up by R\$ 3,735 million or +137% versus PY. In 2Q25, investments totaled R\$ 3,601 million, up 178% versus the same period in the previous year.

R\$ million

	2Q25	2Q24	Var. (R\$)	%	YTD 25	YTD 24	Var. (R\$)	%
Water	1.044	548	496	90,5	1.659	1.278	442	36,3
Sewage	2.557	748	1.809	241,8	4.793	1.499	3.293	219,6
Total	3.601	1.296	2.305	177,9	6.452	2.717	3.735	137,5

Balance Sheet (CONSOLIDATED)

ASSETS	2Q25	2Q24
Current	13,234,427	9,770,283
Cash and equivalents	4,561,016	2,809,432
Financial investments	3,364,572	2,344,093
Trade Accounts receivable	3,985,164	3,671,287
Related parties receivable	270,360	245,248
Inventory	24,685	116,088
Restricted cash	58,027	50,638
Taxes	875,275	306,423
Derivatives	-	93,864
Others	95,328	133,210
Non-Current	75,485,504	54,908,860
Financial investments	-	-
Trade Accounts receivable	259,207	307,661
Related parties receivable	897,141	925,211
Legal Deposits	134,857	143,063
Taxes	-	130,751
National Water and Sanitation Agency (ANA)	2,111	1,908
Others	92,919	140,595
Investments	226,015	192,726
Land	14,453	46,654
Contract assets	9,085,464	7,745,138
Financial assets	18,868,544	-

Intangibles	45,264,806	44,776,717
PP&E	639,987	498,436
Total assets	88,719,931	64,679,143

LIABILITIES AND EQUITY	2Q25	2Q24
Current Liabilities	10,462,380	7,167,622
Trade Accounts Payable	1,219,445	497,820
Debt	3,320,659	2,419,440
Labor	696,811	581,128
Taxes	486,139	411,159
Deferred Sales Tax	94,758	-
Shareholders Distributions (Dividends and Interest over Own Capital)	1,532	874
Legal Accruals	1,521,993	1,122,553
Services Accounts Payable	1,907,269	850,609
Public-Private Partnership (PPP)	460,781	439,289
Program Contract Commitments	-	19,519
Derivatives	287,082	-
Program Contract Commitments	267,189	-
Other	198,722	825,231
Non-Current Liabilities	37,813,430	25,714,432
Debt	27,962,888	19,357,368
Deferred Income Tax	2,973,223	-
Deferred Sales Tax	1,102,430	176,353
Legal Accruals	478,396	805,253
Pension	1,944,820	2,119,211
Public-Private Partnership (PPP)	2,872,892	2,786,976
Program Contract Commitments	99,795	-
Performance Contract Payables	-	12,306
Other	378,986	456,965
Total Liabilities	48,275,810	32,882,054
Equity	40,444,121	31,797,089
Paid-in Capital	18,400,000	15,000,000
Capital Reserves	2,371	-
Profit Reserves	18,247,715	14,617,966
OCI	175,982	146,362
Retained Earnings	3,618,053	2,032,761
Total Equity and Liabilities	88,719,931	64,679,143

Consolidated Cash Flow Statement

R\$ '000	2Q25	2Q24
Operating Free Cash Flow	4,142,674	3,135,345
Pre-tax Earnings	3,227,841	1,754,666
Depreciation and Amortization	543,366	789,440
PP&E and Intangibles Write-offs	1,937	1,700
Allowance for doubtful accounts	187,392	71,645
Accruals and inflation adjustment	(467,521)	124,103
Accrued Interest on Debt	474,169	398,488
Inflation adjustment and FX gains/(losses) Debt	33,606	239,154
Debt inflation adjustment	127,071	-
Interest and inflation adjustment net gains/(losses)	(226,691)	64,008
Financial charges to customers	(92,769)	(119,679)
Construction Margin	-	(28,648)
Provision for Consent Decrees (TAC) and Voluntary Termination Programs	295,866	(138,281)
Minority Interest	(13,181)	(7,914)
Interest and inflation adjustment (Public-Private Partnerships)	142,573	136,102
Municipal Funds Accruals	147,832	19,924
Pension	71,037	48,881
Currency Derivatives	(33,841)	(131,832)
Financial Asset Bifurcation	(272,207)	(91,617)
Deferred Tax on Financial Asset	25,179	-
Other adjustments	(28,985)	5,205
Changes in Assets		
Trade Accounts Receivable	2,114	11,484
Related parties	6,508	35,161
Inventory	94,268	6,078
Taxes	36,532	21,750
Legal deposits	38,092	19,480
Other	23,820	(22,401)
Changes in Liabilities		
Trade Accounts Payable	1,199,579	(9,889)
Services Payable	(222,425)	(8,017)
Labor	(577,121)	(36,615)
Taxes	54,100	(73,321)
Deferred Sales Taxes	15,332	7,088
Accruals	(76,479)	(59,498)
Pension	(65,792)	(60,900)
Other	(70,302)	(109,327)
Cash flows from Operations	4,600,900	2,856,418
Payed interest	(438,411)	(388,587)
Income Tax and Social Contribution	(981,915)	(695,215)
Net Cash flows from Operations	3,180,574	1,772,616
Cash flows from Investments	(3,033,018)	676,415

Acquisition of contract, intangible and fixed assets	(4,302,445)	(1,130,836)
Restricted cash	(18,917)	(4,944)
Financial investments - Investment	(6,981,923)	(2,867,664)
Financial investments - Redemption	8,297,110	3,010,149
Financial Investments	-	1,706,738
Investments	(570)	(16,430)
Purchases of tangible assets	(26,273)	(20,598)
Cash flows from Financing Activities	773,307	(1,658,990)
New Debt	3,550,714	140,117
Debt repayment	(244,131)	(734,039)
Payment of interest on shareholders' equity	(2,363,777)	(928,774)
Public-Private Partnership (PPP)	(138,456)	(132,540)
Program Contract Commitments	-	(1,507)
Currency Derivatives	(31,043)	(2,247)
Free Cash Flow to Equity	920,863	790,041
Cash at Beginning of Period	3,640,153	2,019,391
Cash at End of Period	4,561,016	2,809,432