





Disclaimer

This presentation may contain forward-looking statements regarding Sanepar's business prospects, estimates of operating and financial results, and growth prospects. These are only projections and, as such, are based solely on Sanepar management's expectations regarding the future of the business and its continued access to capitals in order to finance the Company's business plan. Forward-looking statements are no guarantee of performance. Such forward-looking statements substantially depend on changes in market conditions, governmental rules, the performance of the industry and the Brazilian economy, among other factors, in addition to the risks presented in the disclosure documents filed by Sanepar and are therefore subject to change without prior notice.

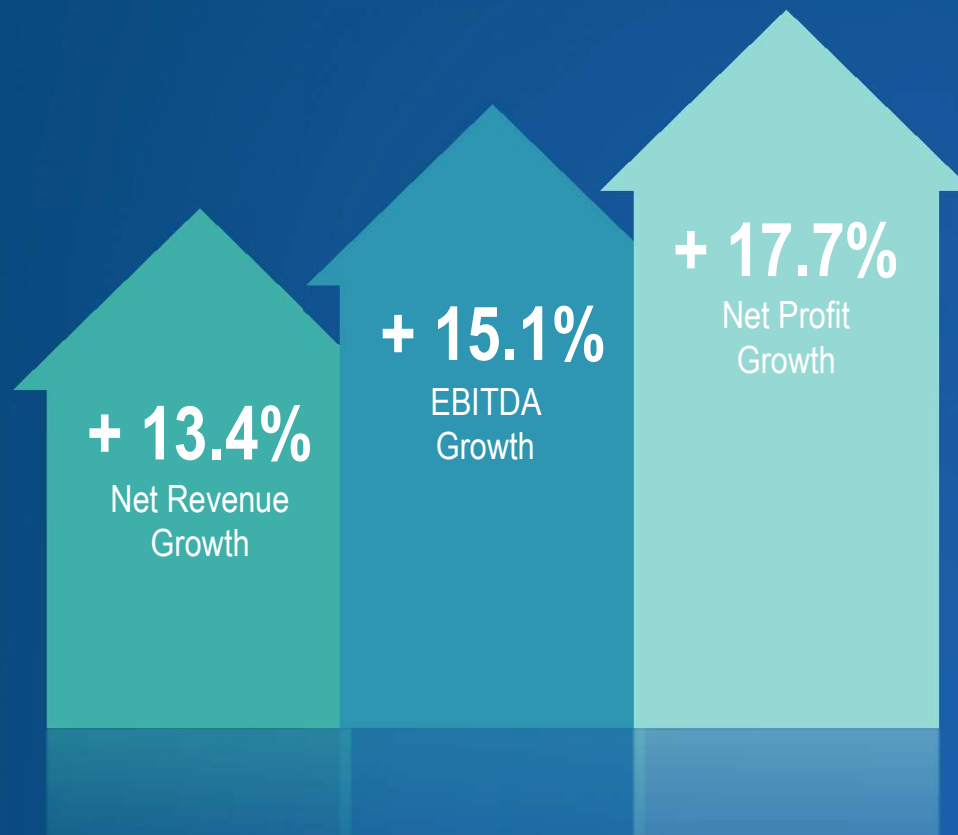


Results Presentation

1st Quarter of 2020

Highlights

Comparing the 1Q20 to 1Q19, the financial indicators presented the following growths:



Billed Volume Growth
Water + 0.3%



Billed Volume Growth
Sewage + 2.4%



Service Index
100% Water | 74.4% Sewage



EBITDA Margin Increase
1Q19 \Rightarrow 41.2% | 1Q20 \Rightarrow 41.8%



10th Debentures Issuing – BRL 350 million

Operating Result



	1T18	1T19	Var %	1T20	Var %
WATER					
Measured Volume ('000)	124,277	132,244	6.4	132,849	0.5
Billed Volume ('000)	129,009	137,078	6.3	137,469	0.3
Addition of Connections	14,493	14,530	0.3	13,823	(4.9)
Total Connections	3,101,653	3,152,290	1.6	3,208,360	1.8
Addition of Water Meters	20,028	17,161	(14.3)	19,273	12.3
Total Water Meters	3,868,479	3,940,589	1.9	4,020,347	2.0
SEWAGE					
Collected Volume ('000)	89,782	97,470	8.6	99,718	2.3
Billed Volume ('000)	93,698	101,396	8.2	103,814	2.4
Addition of Connections	21,038	17,441	(17.1)	13,593	(22.1)
Total Connections	2,061,330	2,158,491	4.7	2,244,720	4.0
Addition of Water Meters	28,633	22,242	(22.3)	20,281	(8.8)
Total Water Meters	2,789,849	2,918,825	4.6	3,039,584	4.1
DEFAULT	1.9%	2.5%	0.6 p.p	3.6%	1.1 p.p
OPERATING EFFICIENCY (L/LIG/D)	234.7	224.9	(4.2)	235.5	4.7


Performance Indicators



COVENANTS		1Q18	1Q19	1Q20
Debentures 3rd, 8th, 9th & 10th issues				
Net Bank Debt / Adjusted EBITDA	≤ 3.0	1.42	1.47	1.23
Net Financial Expense Coverage Index	≥ 1.5	6.21	8.81	11.59
BNDES, 2nd, 4th and 7th issues Debentures				
Net Bank Debt / EBITDA	≤ 3.0	1.48	1.51	1.30
Service Coverage Debt Index - EBITDA	≥ 1.5	2.41	2.13	2.74
Other Onerous Debts / EBITDA	≤ 1.0	0.66	0.57	0.61
CAIXA Contracts				
Net Financial Expense Coverage Index	≥ 1.5	6.21	8.81	11.59
Net Bank Debt / Adjusted EBITDA	≤ 3.0	1.42	1.47	1.23
Other Payable Debts / Adjusted EBITDA	≤ 1.0	0.63	0.56	0.58

Performance Indicators



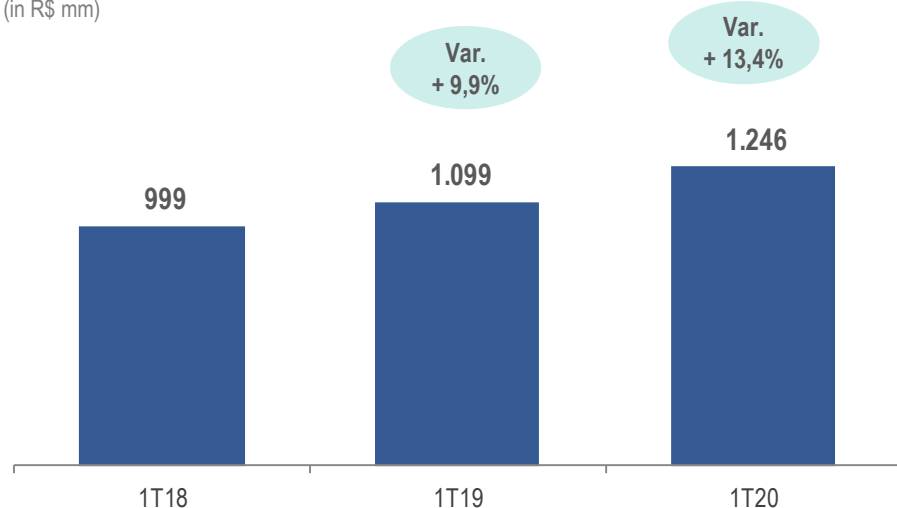
COVENANTS / INDICATORS		1Q18	1Q19	1Q20
KfW Contracts 				
Debt Service Coverage Ratio - EBITDA	≥ 1.5	2.41	2.13	2.74
Bank Net Debt / EBITDA	≤ 3.0	1.48	1.51	1.30
Other Onerous Debt / EBITDA	≤ 1.0	0.66	0.57	0.61
Indebtedness Level	≤ 60%	48.4%	46.7%	48.8%
INDICATORS				
EBITDA Margin		40.9%	41.2%	41.8%
Indebtedness Level		48.4%	46.7%	48.8%
ROIC		12.0%	12.5%	13.8%
ROE		13.6%	15.8%	17.8%

Financial Performance



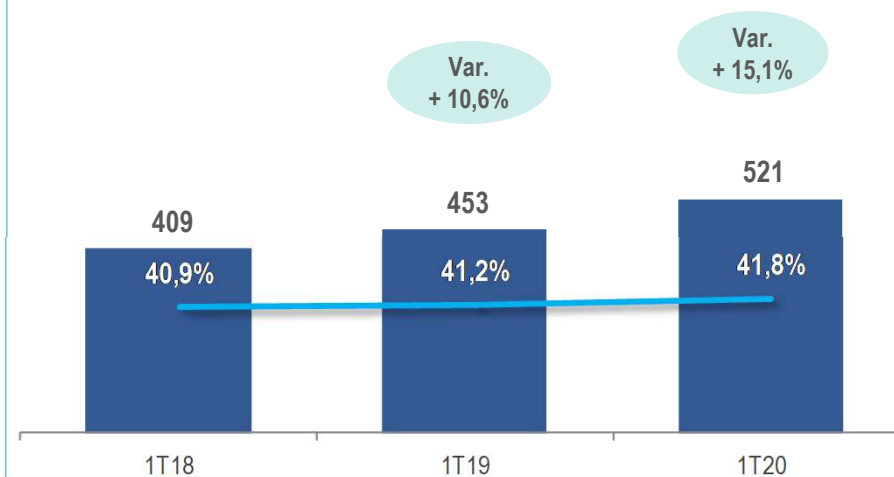
Net Revenue

(in R\$ mm)



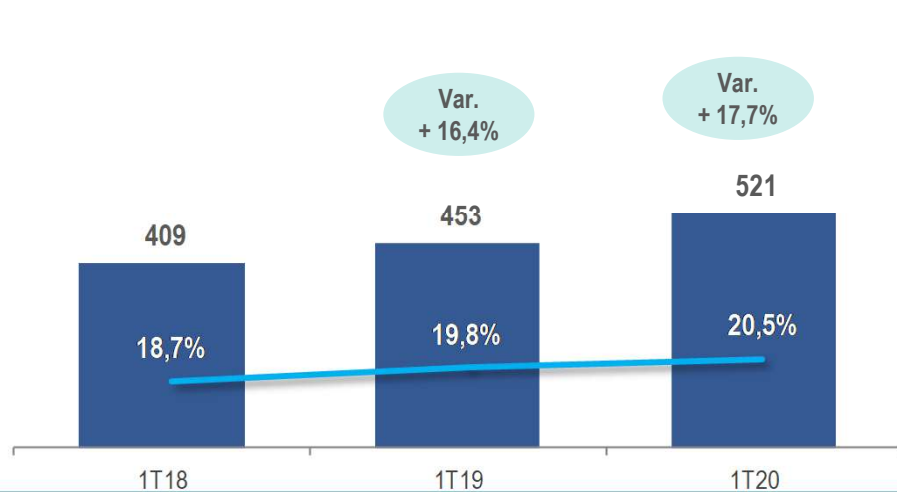
EBITDA and EBITDA Margin

(in R\$ mm and %, respectively)



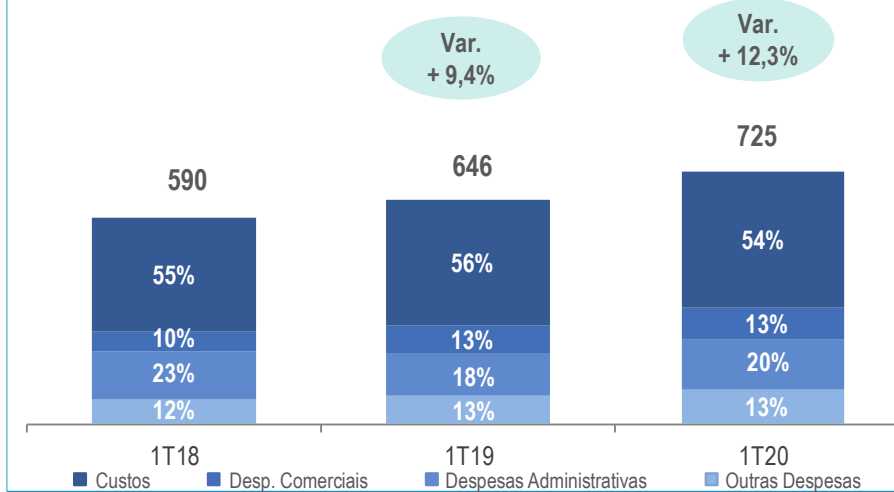
Net Profit and Net Margin

(in R\$ mm, % and R\$ mm, respectively)



Operating Costs and Expenses (EBITDA impact)

(in % and R\$ mm, respectively)

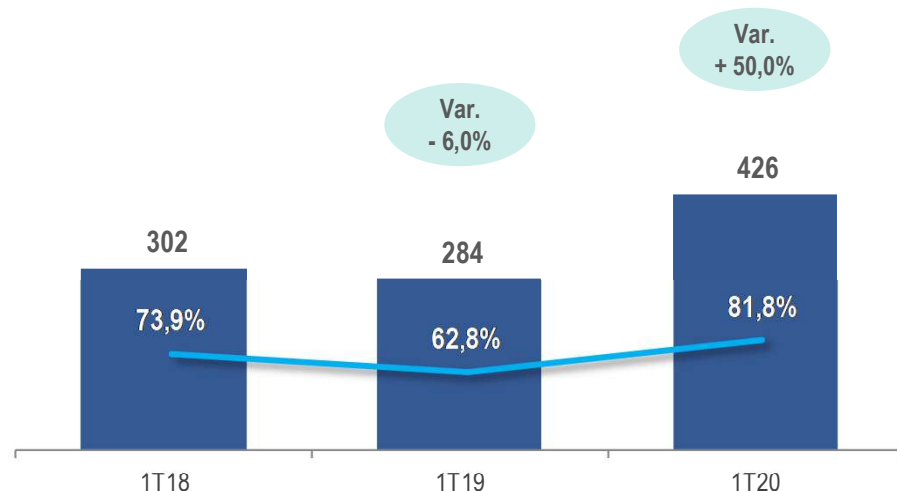


Financial Performance



Cash Generation and EBITDA Conversion

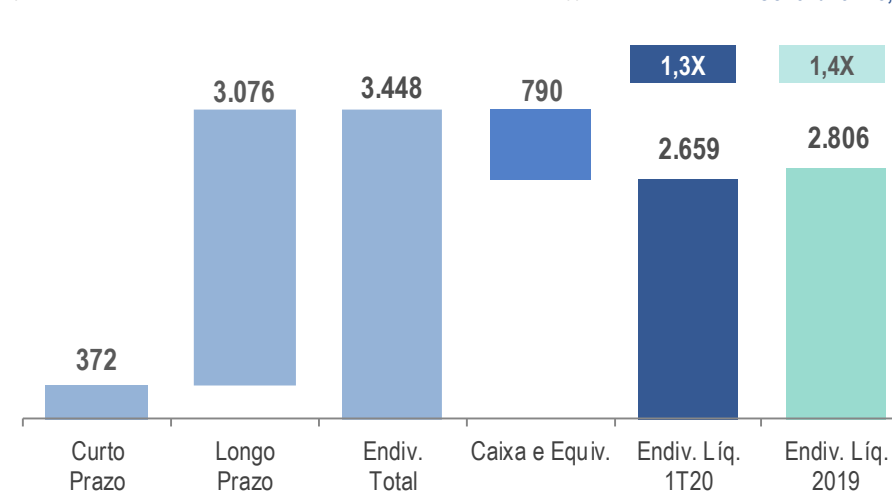
(in R\$ mm and %, respectively)



Net Debt and Leverage

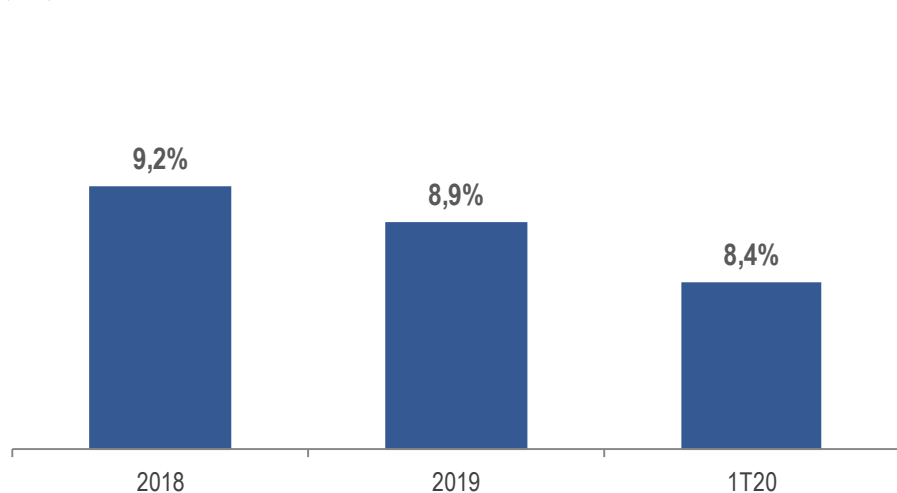
(in R\$ mm and ratio between Net Debt and EBITDA, respectively)

Covenant $\leq 3,0X$



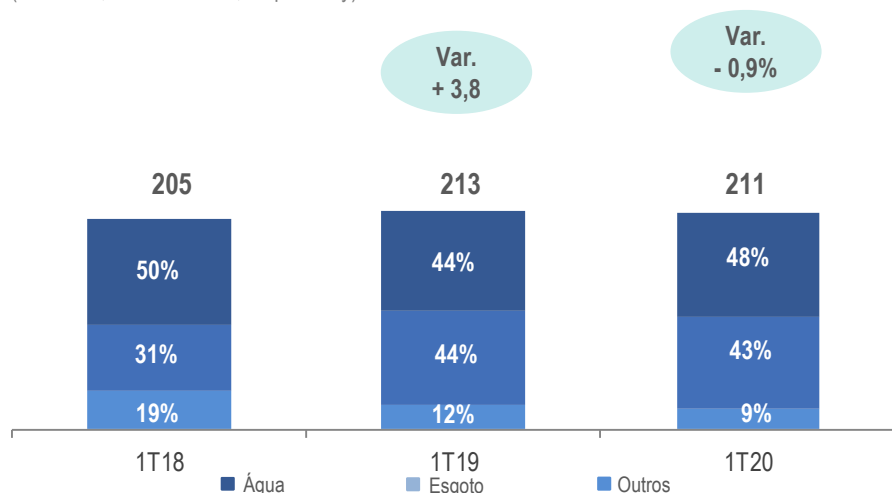
Weighted Average Cost of Debt

(in %)



CAPEX

(in R\$ mm, % and R\$ mm, respectively)



Income Statement



Quarterly Results	1Q18	1Q19	Var %	1Q20	Var %
NET REVENUE	999,424	1,098,581	9.9	1,246,136	13.4
Personnel	239,142	245,394	2.6	261,150	6.4
PPR	17,492	22,940	100.0	25,371	10.6
Material	36,940	42,785	15.8	56,241	31.5
Electricity	94,433	114,490	21.2	121,149	5.8
Third Party Services	139,219	143,982	3.4	152,794	6.1
General and Tax	33,644	36,092	7.3	41,670	15.5
Civil, Work, Envir., Fiscal, Tax Provisions	28,840	40,781	41.4	20,258	(50.3)
Health Plan and Soial. Security Provisions	21,455	14,952	(30.3)	16,707	11.7
Financial Expenses (Revenue)	55,830	45,782	(18.0)	52,787	15.3
Other Costs and Expenses	44,811	66,928	49.4	116,748	74.4
TOTAL COSTS AND EXPENSES	711,806	774,126	8.8	864,875	11.7
Income tax and social contribution	100,707	106,907	6.2	125,236	17.1
NET RESULT	186,911	217,548	16.4	256,025	17.7
Net Margin %	18.7%	19.8%	1.1 p.p	20.5%	0.7 p.p
EBITDA	409,206	452,641	10.6	520,942	15.1
EBITDA Margin %	40.9%	41.2%	0.3 p.p	41.8%	0.6 p.p
EBIT	343,448	370,237	7.8	434,047	17.2
EBIT Margin %	34.4%	33.7%	-0.7 p.p	34.8%	1.1 p.p

Non-recurring effect



Non-recurring Items	1Q19	1Q20
Net profit	217,548	256,025
Expected Losses over credits	-	3,662
AVP Expenses over Contractual Financial Assets	-	11,057
Indemnification of DM/LFM/SEF Consortium	-	15,184
Tax Effects	-	(10,167)
Recurring Net Income	217,548	275,761
Realized Net Profit	217,548	256,025
Recurring Variation vs. Realized	0.0%	7.7%
Recurring Net Margin	19.8%	22.1%
Realized Net Margin	19.8%	20.5%
Recurring Variation vs. Realized	0 p.p	1.6 p.p
Recurring EBITDA	452,641	550,846
Realized EBITDA	452,641	520,943
Recurring Variation vs. Realized	0.0%	5.7%
Recurring EBITDA Margin	41.2%	44.2%
Realized EBITDA Margin	41.2%	41.8%
Recurring Variation vs. Realized	0 p.p	2.4 p.p

Adjusted EBITDA



Adjusted EBITDA with Non-Manageable Items

(in R\$ MM)	1Q20
EBITDA	520.9
(+) Non-manageable items	49.7
Electricity	6.0
Treatment material	14.9
Fees and charges	28.8
(=) Adjusted EBITDA with non-manageable items	570.6
EBITDA Margin	45.8%

Balance Sheet



	2018	2019	Var %	March/2020	Var %
Net Debt	(2,628,374)	(3,037,779)	15.6	107,692	(103.5)
Cash and cash equivalents	35,003	16,878	(51.8)	1,001,004	5,830.8
Financial investments	291,620	257,180	(11.8)	749,257	191.3
Loans, Financing and Debentures	(2,771,319)	(3,082,496)	11.2	(1,640,484)	(46.8)
Dividends and Interest on Equity	(183,678)	(229,341)	24.9	(2,085)	(99.1)
Operating Working Capital	270,160	448,388	66.0	698,428	55.8
Accounts Receivable from Customers, Net	661,124	829,562	25.5	954,062	15.0
Stocks for Operation	39,120	46,146	18.0	40,389	(12.5)
Contractors and Suppliers	(190,742)	(214,445)	12.4	(95,613)	(55.4)
Salaries and Social Charges	(239,342)	(212,875)	(11.1)	(200,410)	(5.9)
Other assets / liabilities	571,821	804,150	40.6	(1,323,706)	(264.6)
Provisions	(461,797)	(546,672)	18.4	-	(100.0)
Retirement and Health Care Plans	(941,788)	(1,236,602)	31.3	(58,974)	(95.2)
Contract Assets	1,393,188	1,756,715	26.1	463,957	(73.6)
Other assets / liabilities	582,218	830,709	42.7	(1,728,689)	(308.1)
Fixed Assets	7,503,581	7,959,155	6.1	12,662,760	59.1
Net equity	(5,717,188)	(6,173,914)	8.0	(3,996,137)	(35.3)
Operating Working Capital Turnover (CGO/RL)* Turnover Days	24	35		136	

Note: Other assets / liabilities are considered recoverable and deferred taxes, restricted deposits and judicial deposits, other assets, concession contracts, contractual guarantees and retentions and other liabilities. Fixed assets are considered intangible assets, fixed assets, investments and contractual financial assets.

Cash Flows



	1Q18	1Q19	Var %	1Q20	Var %
Operating Activities	302,346	284,325	(6.0)	426,014	49.8
Net Profit of the Adjusted Financial Year	353,773	393,799	11.3	433,583	10.1
Decrease (Increase) of Assets	(45,834)	(67,573)	47.4	29,321	(143.4)
Increase (Decrease) of Liabilities	(5,593)	(41,901)	649.2	(36,890)	(12.0)
Investment Activities	(206,030)	(212,674)	3.2	(212,588)	(0.0)
Financing Activities	(81,121)	(46,456)	(42.7)	302,156	(750.4)
Loans and Financing	17,902	61,208	241.9	418,826	584.3
Financing Payments	(97,660)	(91,448)	(6.4)	(86,802)	(5.1)
Payments of Leasings	-	(20,213)	-	(19,121)	(100.0)
Other Variations	(1,363)	3,997	(393.3)	(10,747)	(368.9)
Increase (Decrease)	15,195	25,195	65.8	515,582	1,946.4
At the Beginning of the period	533,888	326,624	(38.8)	274,059	(16.1)
At the End of the period	549,083	351,819	(35.9)	789,641	124.4

Financial and Investor Relations Office - DFRI

