





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.



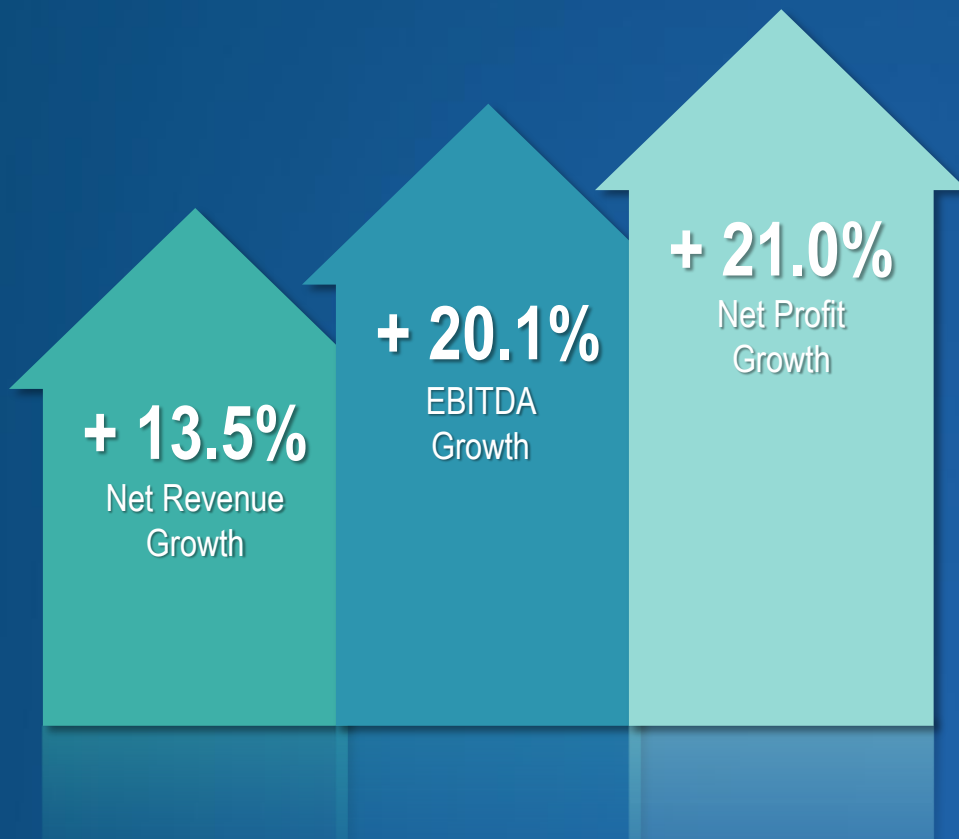
Results Presentation

4th Quarter of 2019

Financial Year of 2019

Highlights

Comparing the 2019 to 2018 financial years, the financial indicators presented the following growths:



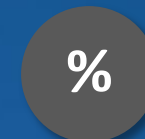
Billed Volume Growth
Water + 3.1%



Billed Volume Growth
Sewage + 5.4%



Service Index
100% Water | 74.2% Sewage



Tariff readjustment + 12.13%
8.37% authorized in May,
+ 3.76% implemented in November



EBITDA Margin Increase
2018 ⇒ 39.5% | 2019 ⇒ 41.7%



Release of Funds KfW and
9th issue of debentures



2019 Transparency Award (Troféu
Transparência 2019)
3rd place in water and sanitation
industry - Valor 1000

Operating Result



	2017	2018	Var %	2019	Var %
WATER					
Measured Volume ('000)	496,498	493,586	(0.6)	511,736	3.7
Billed Volume ('000)	549,127	516,831	(5.9)	532,830	3.1
Addition of Connections	61,380	50,600	(17.6)	56,777	12.2
Total Connections	3,087,160	3,137,760	1.6	3,194,537	1.8
Addition of Water Meters	113,209	74,977	(33.8)	77,646	3.6
Total Water Meters	3,848,451	3,923,428	1.9	4,001,074	2.0
SEWAGE					
Collected Volume ('000)	355,329	362,380	2.0	382,115	5.4
Billed Volume ('000)	393,667	378,909	(3.7)	399,225	5.4
Addition of Connections	86,808	100,758	16.1	90,077	(10.6)
Total Connections	2,040,292	2,141,050	4.9	2,231,127	4.2
Addition of Water Meters	138,233	135,367	(2.1)	122,720	(9.3)
Total Water Meters	2,761,216	2,896,583	4.9	3,019,303	4.2
DEFAULT	1.1%	1.0%	-0.1 p.p	1.7%	0.7 p.p
OPERATING EFFICIENCY (L/LIG/D)	231.9	234.4	1.1	230.5	(1.7)

Performance Indicators



COVENANTS

2017

2018

2019

Debentures 3rd, 8th and 9th issues

Net Bank Debt / Adjusted EBITDA ≤ 3.0 1.48 1.46 1.33

Net Financial Expense Coverage Index ≥ 1.5 6.62 8.14 11.73

BNDES, 2nd, 4th and 7th issues Debentures

Net Bank Debt / EBITDA ≤ 3.0 1.58 1.49 1.42

Service Coverage Debt Index - EBITDA ≥ 1.5 2.29 2.12 2.63

Other Onerous Debts / EBITDA ≤ 1.0 0.68 0.57 0.63

Cash Contracts

Net Financial Expense Coverage Index ≥ 1.5 6.62 8.14 11.73

Net Bank Debt / Adjusted EBITDA ≤ 3.0 1.48 1.46 1.33

Other Payable Debts / Adjusted EBITDA ≤ 1.0 0.64 0.56 0.58

Performance Indicators



COVENANTS / INDICATORS

2017

2018

2019

KfW Contracts



Debt Service Coverage Ratio - EBITDA

≥ 1.5

2.29

2.12

2.63

Bank Net Debt / EBITDA

≤ 3.0

1.58

1.49

1.42

Other Onerous Debt / EBITDA

≤ 1.0

0.68

0.57

0.63

Indebtedness Level

≤ 60%

49.1%

47.0%

48.3%

INDICATORS

EBITDA Margin

35.8%

39.5%

41.7%

Indebtedness Level

49.1%

47.0%

48.3%

ROIC

11.6%

12.6%

13.5%

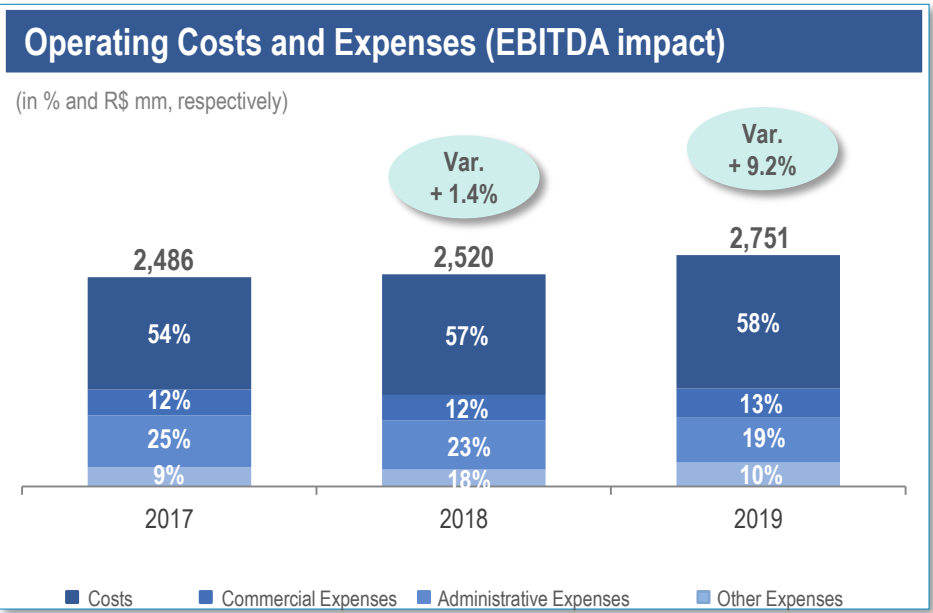
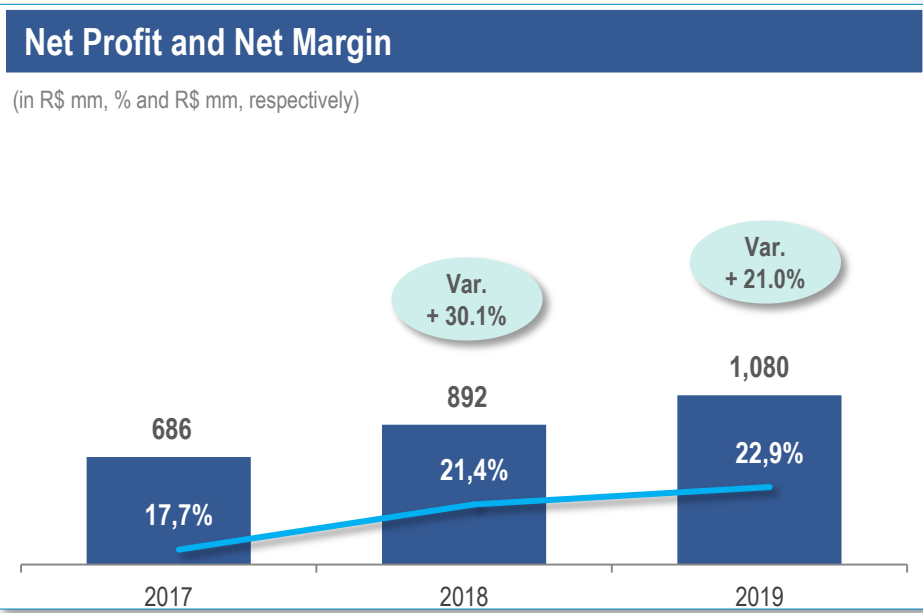
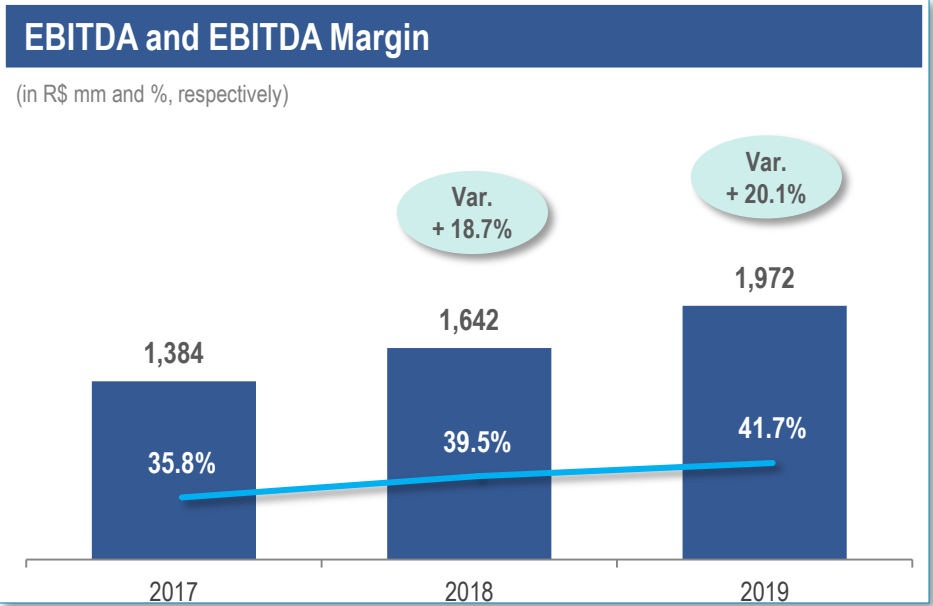
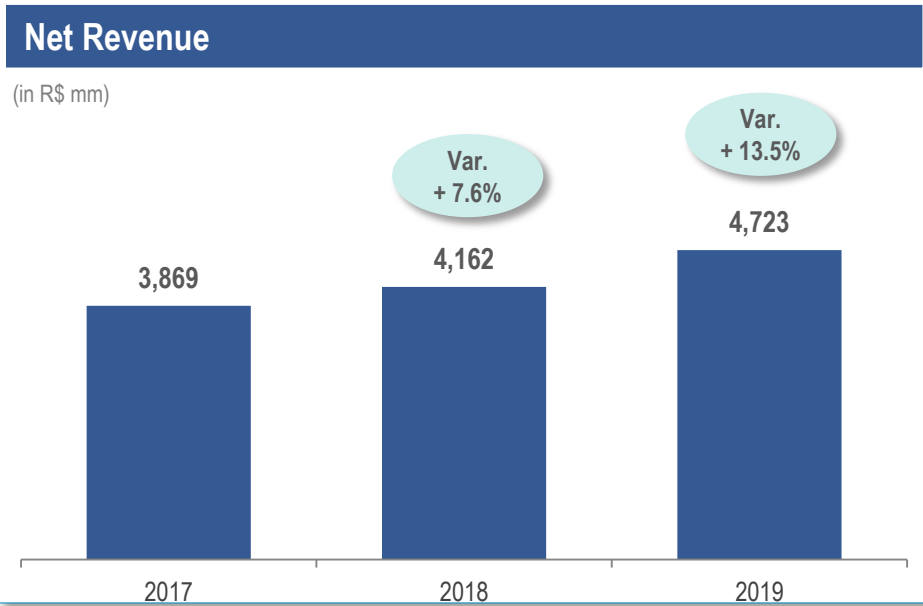
ROE

13.8%

16.4%

18.2%

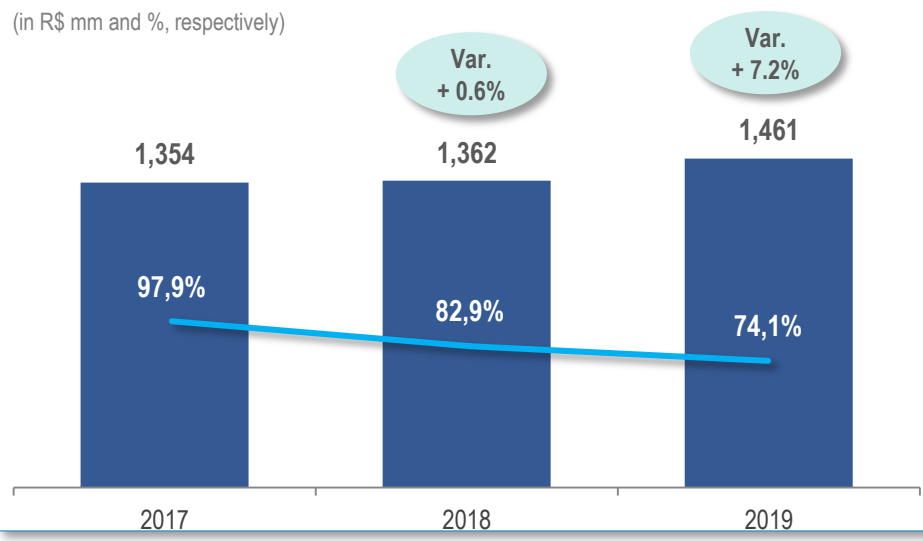
Financial Performance



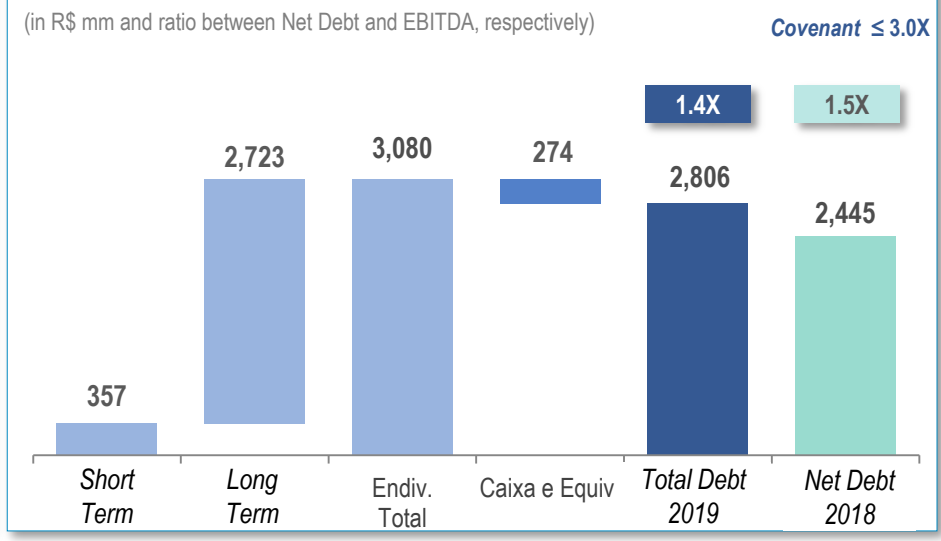
Financial Performance



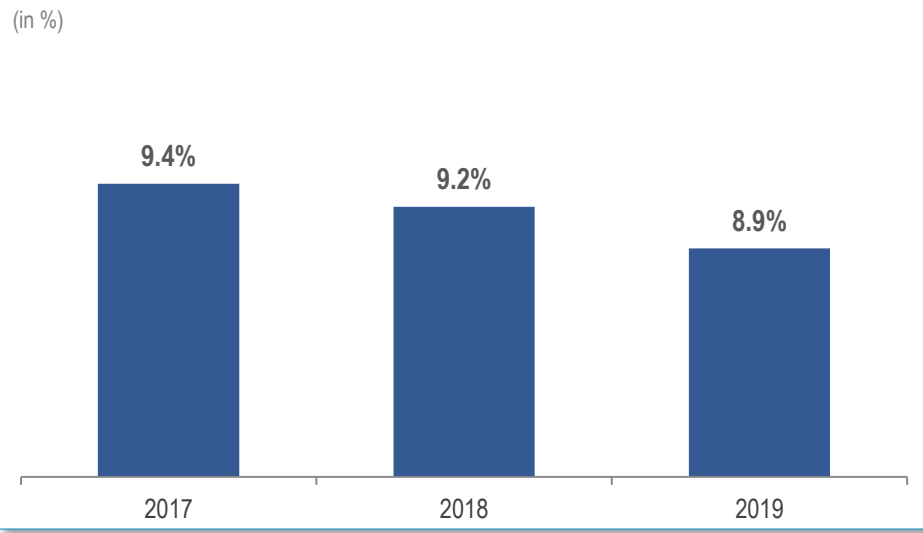
Cash Generation and EBITDA Conversion



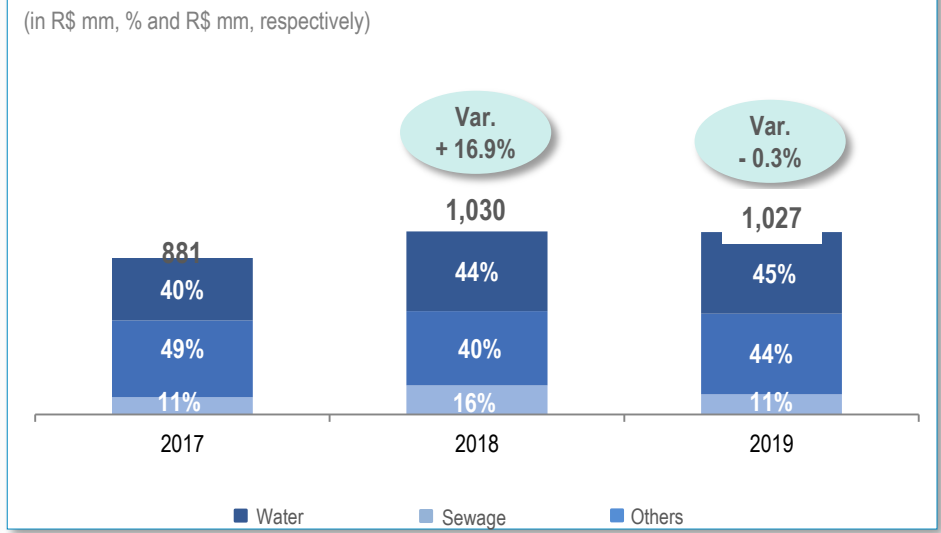
Net Debt and Leverage



Weighted Average Cost of Debt



CAPEX



Income Statement



Quarterly Results	4Q17	4Q18	Var %	4Q19	Var %
NET REVENUE	1,025,455	1,097,950	7.1	1,339,618	22.0
Personnel	259,036	268,449	3.6	290,716	8.3
PPR	40,704	39,919	100.0	213	(99.5)
Material	42,074	40,604	(3.5)	61,192	50.7
Electricity	108,350	121,123	11.8	124,200	2.5
Third Party Services	154,136	167,845	8.9	172,270	2.6
General and Tax	31,576	44,065	39.6	40,074	(9.1)
Civil, Work, Envir., Fiscal, Tax Provisions	(51,684)	(56,188)	8.7	(291)	(99.5)
Health Plan and Soial. Security Provisions	8,024	11,646	45.1	15,230	30.8
Financial Expenses (Revenue)	122,364	48,339	(60.5)	45,954	(4.9)
Other Costs and Expenses	118,535	55,141	(53.5)	90,921	64.9
TOTAL COSTS AND EXPENSES	833,115	740,943	(11.1)	840,479	13.4
Income tax and social contribution	38,148	36,995	(3.0)	112,819	205.0
NET RESULT	154,192	320,012	107.5	386,320	20.7
Net Margin %	15.0%	29.1%	14.1 p.p	28.8%	-0.3 p.p
EBITDA	383,775	475,698	24.0	631,198	32.7
EBITDA Margin %	37.4%	43.3%	5.9 p.p	47.1%	3.8 p.p

Income Statement



Cumulative Result	2017	2018	Var %	2019	Var %
NET REVENUE	3,869,401	4,162,205	7.6	4,722,826	13.5
Personnel	1,069,446	1,037,464	(3.0)	1,094,751	5.5
PPR	69,681	134,246	-	76,627	(42.9)
Material	157,967	151,996	(3.8)	204,043	34.2
Electricity	379,450	425,536	12.1	474,455	11.5
Third Party Services	570,616	611,570	7.2	622,326	1.8
General and Tax	136,712	177,320	29.7	151,948	(14.3)
Civil, Work, Envir., Fiscal, Tax Provisions	(943)	(43,836)	4,548.6	84,876	(293.6)
Health Plan and Social Security Provisions	89,188	76,011	(14.8)	60,084	(21.0)
Financial Expenses (Revenue)	222,167	205,639	(7.4)	180,400	(12.3)
Other Costs and Expenses	261,044	221,257	(15.2)	319,431	44.4
TOTAL COSTS AND EXPENSES	2,955,328	2,997,203	1.4	3,268,941	9.1
Income tax and social contribution	227,901	272,515	19.6	373,851	37.2
NET RESULT	686,172	892,487	30.1	1,080,034	21.0
Net Margin %	17.7%	21.4%	3.7 p.p	22.9%	1.4 p.p
EBITDA	1,383,522	1,642,028	18.7	1,971,727	20.1
EBITDA Margin %	35.8%	39.5%	3.7 p.p	41.7%	2.3 p.p

Non-recurring effect



Non-recurring Items	4Q18	4Q19	2018	2019
Net profit	320,011	386,320	892,486	1,080,036
PAI and PDVTC	-	-	6,811	-
IBAMA Agreement	-	-	18,000	-
Indemnification for Damage to Third Party	-	-	16,154	-
Passive Monetary Variation of Financial Leasing	-	-	43,933	-
Re-rating of Labor Lawsuits	(66,762)	-	(66,762)	-
Indemnification of Maringá Municipality, 21st Addendum, Concession Contrib	-	-	-	28,690
CS Bioenergia Impairment	-	17,346	-	17,346
Tax Effects	22,699	(5,898)	(46)	(9,225)
Recurring Net Income	275,948	397,768	910,577	1,116,846
Realized Net Profit	320,011	386,320	892,486	1,080,036
Recurring Variation vs. Realized	-13.8%	3.0%	2.0%	3.4%
Recurring Net Margin	25.1%	29.7%	21.9%	23.6%
Realized Net Margin	29.1%	28.8%	21.4%	22.9%
Recurring Variation vs. Realized	-4 p.p	0.9 p.p	0.4 p.p	0.8 p.p
Recurring EBITDA	408,934	648,545	1,616,233	2,017,785
Realized EBITDA	475,695	631,199	1,642,029	1,971,750
Recurring Variation vs. Realized	-14.0%	2.7%	-1.6%	2.3%
Recurring EBITDA Margin	37.2%	48.4%	38.8%	42.7%
Realized EBITDA Margin	43.3%	47.1%	39.5%	41.7%
Recurring Variation vs. Realized	-6.1 p.p	1.3 p.p	-0.6 p.p	1,0 p.p

Adjusted EBITDA with Non-Manageable Items

(in R\$ MM)

2019

EBITDA 1,971.7

(+) Non-manageable items 118.5

Electricity 47.0

Treatment material 36.1

Fees and charges 35.4

(=) Adjusted EBITDA with non-manageable items 2,090.2

EBITDA Margin 44.3%

Balance Sheet



	2017	2018	Var %	2019	Var %
Net Debt	(2,319,215)	(2,628,374)	13.3	(3,037,779)	15.6
Cash and cash equivalents	23,799	35,003	47.1	16,878	(51.8)
Financial investments	510,089	291,620	(42.8)	257,180	(11.8)
Loans, Financing and Debentures	(2,716,838)	(2,771,319)	2.0	(3,082,496)	11.2
Dividends and Interest on Equity	(136,265)	(183,678)	34.8	(229,341)	24.9
Operating Working Capital	294,854	270,160	(8.4)	448,388	66.0
Accounts Receivable from Customers, Net	617,337	661,124	7.1	829,562	25.5
Stocks for Operation	36,892	39,120	6.0	46,146	18.0
Contractors and Suppliers	(182,655)	(190,742)	4.4	(214,445)	12.4
Salaries and Social Charges	(176,720)	(239,342)	35.4	(212,875)	(11.1)
Other assets / liabilities	61,839	571,821	824.7	804,150	40.6
Provisions	(505,634)	(461,797)	(8.7)	(546,672)	18.4
Retirement and Health Care Plans	(936,642)	(941,788)	0.5	(1,236,602)	31.3
Contract Assets	1,025,470	1,393,188	35.9	1,756,715	26.1
Other assets / liabilities	478,645	582,218	21.6	830,709	42.7
Fixed Assets	7,115,176	7,503,581	5.5	7,959,155	6.1
Net equity	(5,152,654)	(5,717,188)	11.0	(6,173,914)	8.0
Operating Working Capital Turnover (CGO/RL)* Turnover Days	28	24		35	

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



	2017	2018	Var %	2019	Var %
Operating Activities	1,353,848	1,362,006	0.6	1,460,551	7.2
Net Profit of the Adjusted Financial Year	1,301,914	1,435,408	10.3	1,797,158	25.2
Decrease (Increase) of Assets	(97,799)	(75,403)	(22.9)	(273,492)	262.7
Increase (Decrease) of Liabilities	149,733	2,001	(98.7)	(63,115)	(3,254.2)
Investment Activities	(788,965)	(980,030)	24.2	(1,029,604)	5.1
Financing Activities	(669,325)	(589,240)	(12.0)	(483,512)	(17.9)
Loans and Financing	213,321	490,910	130.1	659,830	34.4
JCP and Dividend Payments	(281,305)	(298,398)	6.1	(394,600)	32.2
Financing Payments	(605,108)	(775,587)	28.2	(667,982)	(13.9)
Payments of Leasings	-	-	-	(81,555)	(100.0)
Other Variations	3,767	(6,165)	(263.7)	795	(112.9)
Increase (Decrease)	(104,442)	(207,264)	98.4	(52,565)	(74.6)
At the Beginning of Financial Year	638,330	533,888	(16.4)	326,624	(38.8)
At the End of the Financial Year	533,888	326,624	(38.8)	274,059	(16.1)

Financial and Investor Relations Office - DFRI

