





---

## *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.

---



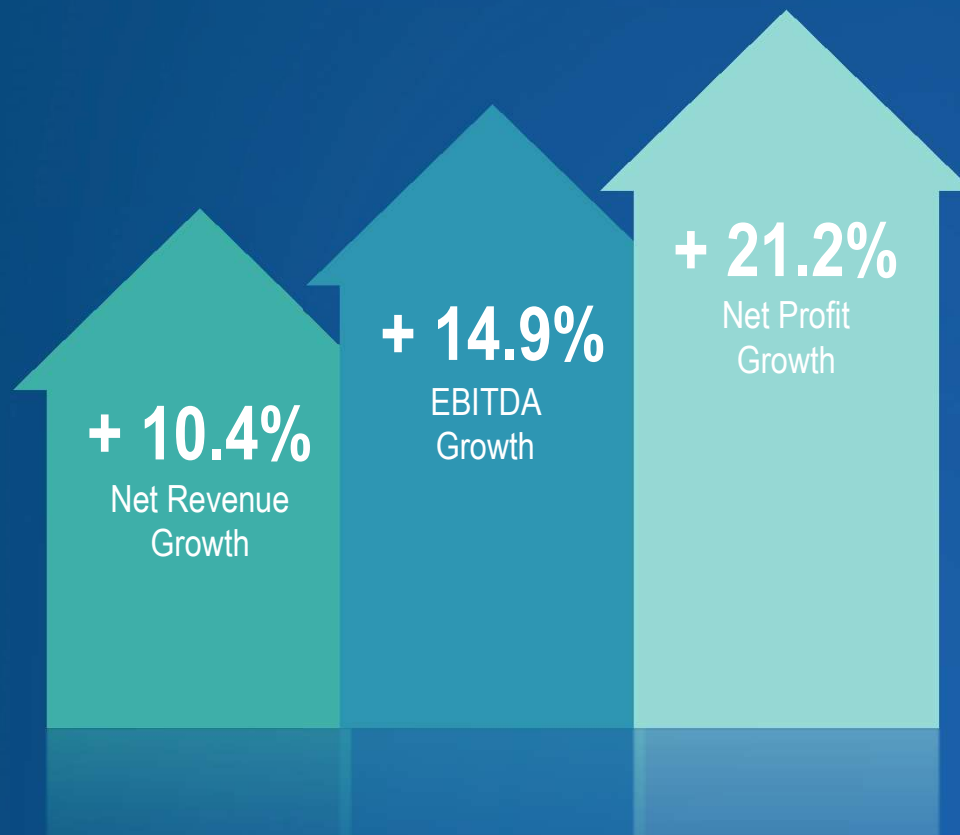
# Results Presentation

3<sup>rd</sup> Quarter of 2019

Cumulated until September / 2019

# Highlights

Comparing the 9M19 to 9M18 period, the financial indicators presented the following growths:



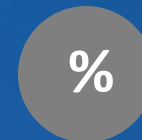
Volume Billed Growth  
Water + 2.3%



Volume Billed Growth  
Sewage + 4.7%



Service Index  
100% Water | 73.5% Sewage



EBITDA Margin Increase  
9M18  $\Rightarrow$  38.1% | 9M19  $\Rightarrow$  39.6%



Release of Funds: KfW

# Operational Results



	9M17	9M18	Var %	9M19	Var %
<b>WATER</b>					
Measured Volumes ('000)	372,706	369,386	(0.9)	379,679	2.8
Billed Volumes ('000)	420,576	386,963	(8.0)	395,753	2.3
Connections Increase	42,462	38,019	(10.5)	39,388	3.6
Total Connections	3,068,242	3,125,179	1.9	3,177,148	1.7
Economic Units Increase	86,093	55,745	(35.3)	52,277	(6.2)
Total Economic Units	3,821,335	3,904,196	2.2	3,975,705	1.8
<b>SEWAGE</b>					
Measured Volumes ('000)	265,980	270,406	1.7	283,113	4.7
Billed Volumes ('000)	300,466	282,732	(5.9)	296,028	4.7
Connections Increase	59,492	68,259	14.7	55,682	(18.4)
Total Connections	2,012,976	2,108,551	4.7	2,196,732	4.2
Economic Units Increase	100,476	93,908	(6.5)	76,415	(18.6)
Total Economic Units	2,723,459	2,855,124	4.8	2,972,998	4.1
<b>REVENUE EVASION</b>	<b>1.1%</b>	<b>1.1%</b>	<b>0 p.p</b>	<b>1.6%</b>	<b>0.5 p.p</b>
<b>OP. EFFICIENCY (Liters/Connections/Day)</b>	<b>233.3</b>	<b>232.6</b>	<b>(0.3)</b>	<b>231.8</b>	<b>(0.3)</b>


# Performance Ratios



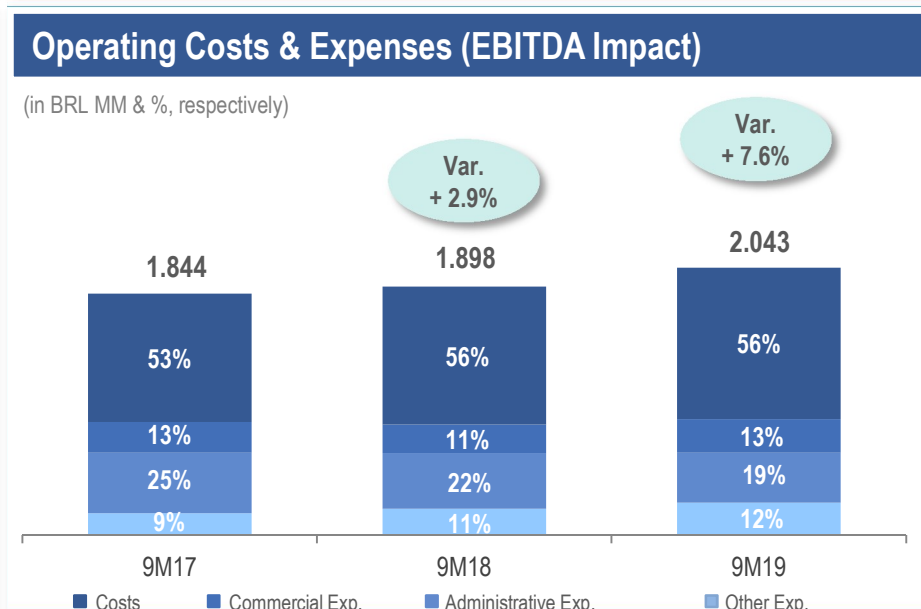
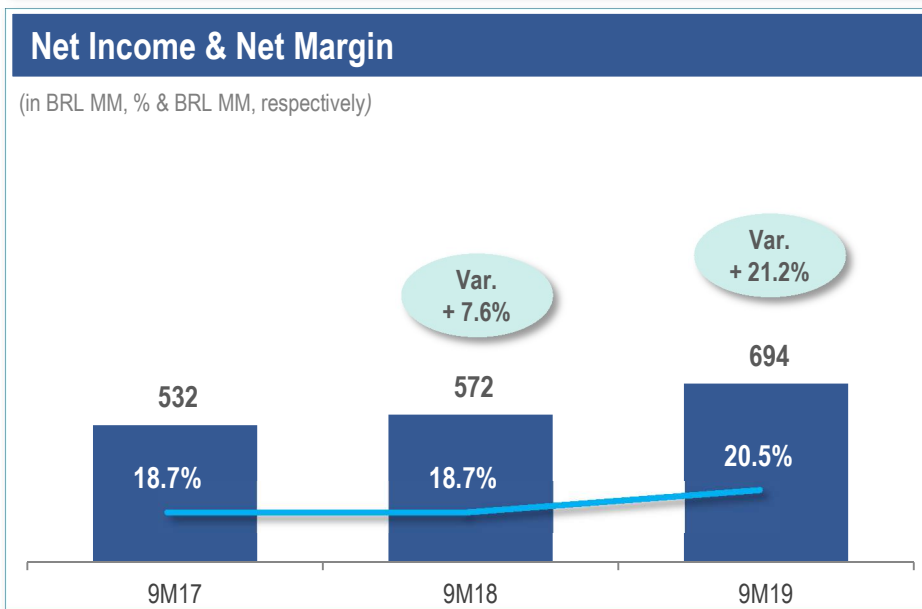
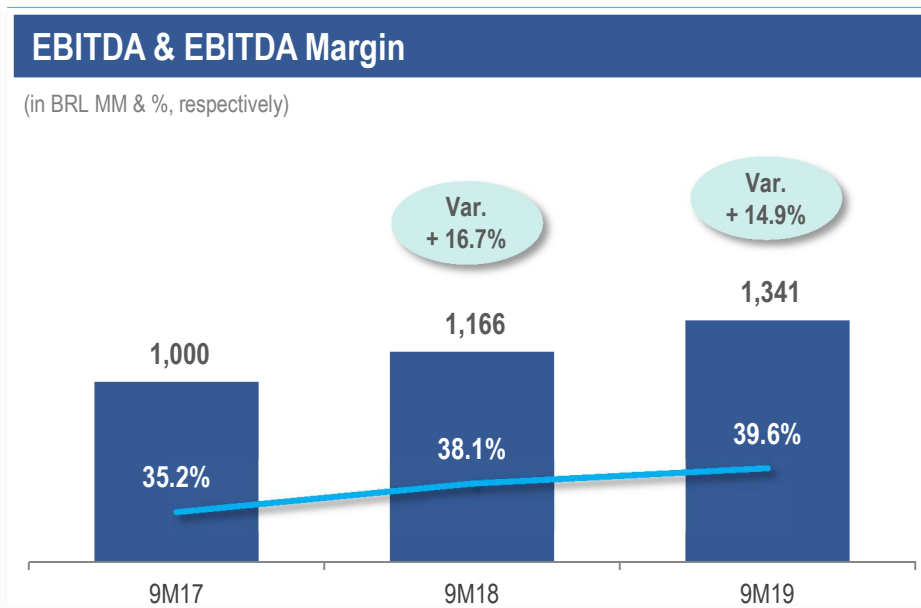
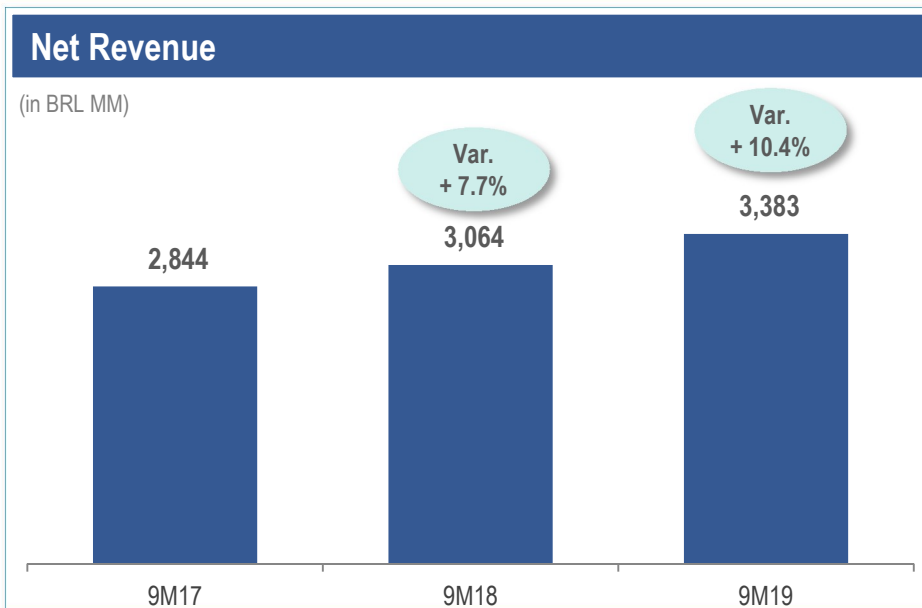
COVENANTS		9M17	9M18	9M19
<b>Debentures 3rd, 8th &amp; 9th issues</b>				
Net Bank Debt / Adjusted EBITDA	≤ 3.0	1.45	1.55	1.50
Net Financial Expenses Coverage Ratio	≥ 1.5	10.28	5.66	10.40
<b>BNDES, Debentures 2nd, 4th &amp; 7th issues</b>				
Net Bank Debt / EBITDA	≤ 3.0	1.67	1.58	1.57
Debt Service Coverage Ratio - EBITDA	≥ 1.5	2.05	2.01	2.52
Other Onerous Debt / EBITDA	≤ 1.0	0.70	0.65	0.54
<b>CAIXA Contracts</b>				
Net Financial Expenses Coverage Ratio	≥ 1.5	10.28	5.66	10.40
Net Bank Debt / Adjusted EBITDA	≤ 3.0	1.45	1.55	1.50
Other Onerous Debt / Adjusted EBITDA	≤ 1.0	0.61	0.64	0.52

# Performance Ratios



COVENANTS		9M17	9M18	9M19
<b>KfW Contracts</b> 				
Debt Service Coverage Ratio - EBITDA	≥ 1.5	2.05	2.01	2.52
Net Bank Debt / EBITDA	≤ 3.0	1.67	1.58	1.57
Other Onerous Debt / EBITDA	≤ 1.0	0.70	0.65	0.54
Debt Ratio	≤ 0.60	0.49	0.49	0.48
<b>RATIOS</b>				
EBITDA Margin		35.2%	38.1%	39.6%
Debt Ratio		49.0%	48.8%	47.9%
ROIC (annual)		11.2%	11.7%	12.9%
ROE (annual)		14.0%	13.8%	17.3%

# Financial Performance



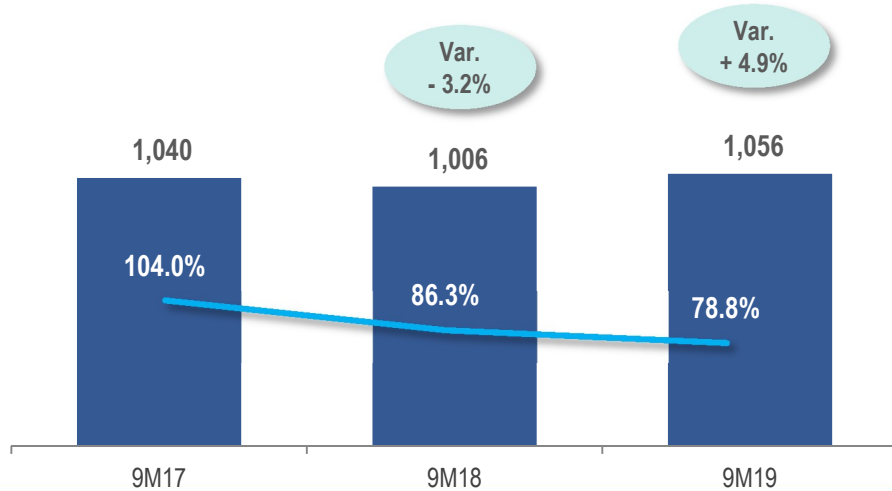


# Financial Performance



## Cash Generation & EBITDA Conversion

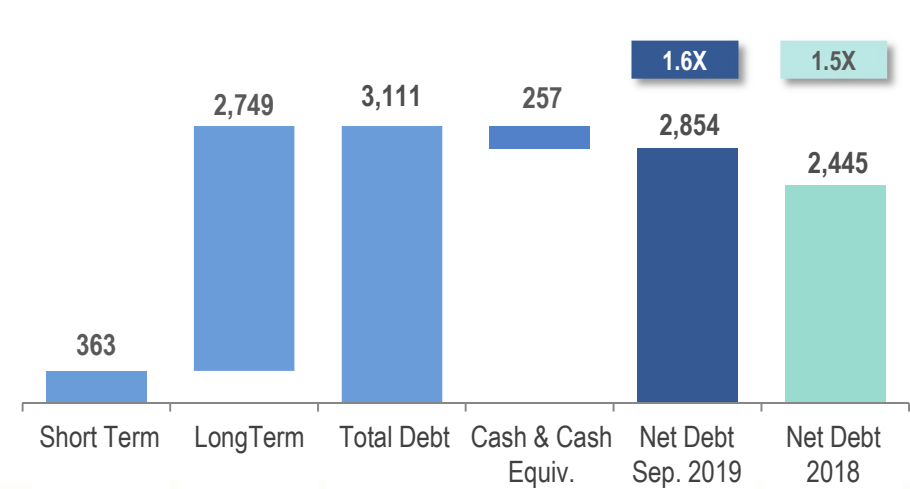
(in BRL MM & %, respectively)



## Net Debt & Leverage

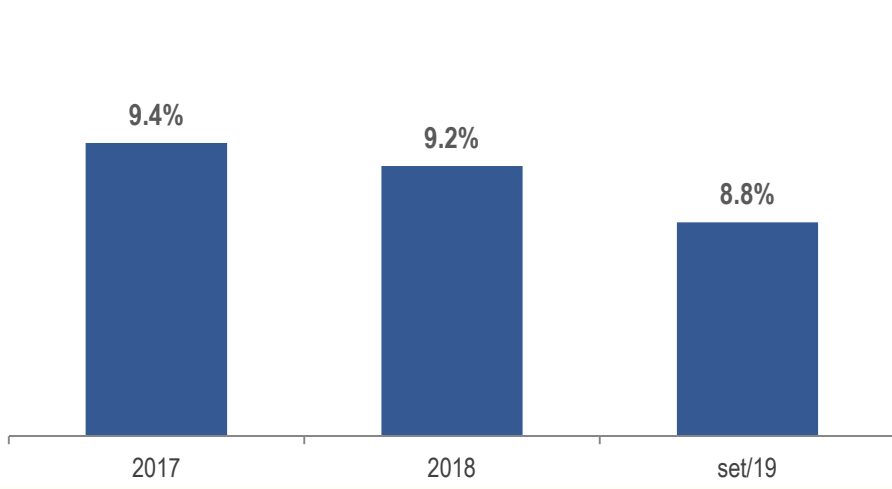
(in BRL MM and ratio between Net Debt & EBITDA, respectively)

Covenant  $\leq 3.0X$



## Weighted Average Cost of Debt

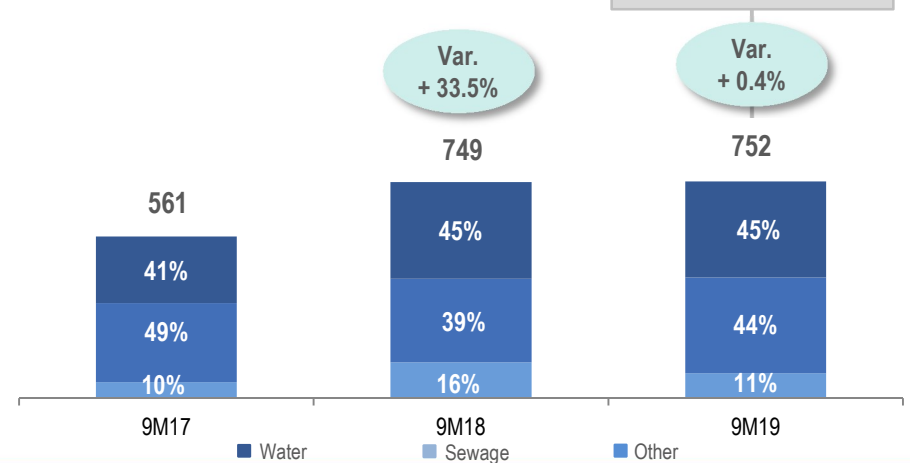
(in %)



## CAPEX

(in BRL MM, % & BRL MM, respectively)

Own funds 71.3%  
Debt Funds 28.7%



# Income Statement



Quarter Results	3Q17	3Q18	Var %	3Q19	Var %
<b>NET REVENUE</b>	<b>1,008,669</b>	<b>1,045,190</b>	<b>3.6</b>	<b>1,185,336</b>	<b>13.4</b>
Personnel	287,514	260,133	(9.5)	279,459	7.4
Profit-Sharing Program	28,977	53,097	100.0	26,277	(50.5)
Materials	37,265	38,208	2.5	54,253	42.0
Electricity	96,334	116,286	20.7	122,868	5.7
Third-Party Services	144,998	151,247	4.3	159,764	5.6
General & Tax Expenses	28,723	65,971	129.7	37,725	(42.8)
Provision for Contingencies	24,023	(15,100)	(162.9)	21,881	(244.9)
Pension Plan and Medical Insurance	26,951	21,455	(20.4)	14,951	(30.3)
Financial Expenses (Revenues)	27,298	68,125	149.6	44,056	(35.3)
Other Costs and Expenses	44,217	65,744	48.7	67,580	2.8
<b>Total Costs &amp; Expenses</b>	<b>746,300</b>	<b>825,166</b>	<b>10.6</b>	<b>828,814</b>	<b>0.4</b>
Income tax & Social Contribution Tax	87,302	88,024	0.8	112,881	28.2
<b>Net Profit</b>	<b>175,067</b>	<b>132,000</b>	<b>(24.6)</b>	<b>243,641</b>	<b>84.6</b>
<b>Net Margin %</b>	<b>17.4%</b>	<b>12.6%</b>	<b>-4.7 p.p</b>	<b>20.6%</b>	<b>7.9 p.p</b>
<b>EBITDA</b>	<b>350,178</b>	<b>356,988</b>	<b>1.9</b>	<b>485,783</b>	<b>36.1</b>
<b>EBITDA Margin %</b>	<b>34.7%</b>	<b>34.2%</b>	<b>-0.6 p.p</b>	<b>41.0%</b>	<b>6.8 p.p</b>
<b>EBIT</b>	<b>289,666</b>	<b>288,150</b>	<b>(0.5)</b>	<b>400,578</b>	<b>39.0</b>
<b>EBIT Margin %</b>	<b>28.7%</b>	<b>27.6%</b>	<b>-1.1 p.p</b>	<b>33.8%</b>	<b>6.2 p.p</b>

# Income Statement



Accumulated Results	9M17	9M18	Var %	9M19	Var %
<b>NET REVENUE</b>	<b>2,843,947</b>	<b>3,064,255</b>	<b>7.7</b>	<b>3,383,208</b>	<b>10.4</b>
Personnel	810,410	769,015	(5.1)	804,035	4.6
Profit-Sharing Program	28,977	94,327	-	76,414	(19.0)
Materials	115,894	111,392	(3.9)	142,851	28.2
Electricity	271,100	304,413	12.3	350,255	15.1
Third-Party Services	416,478	443,725	6.5	450,055	1.4
General & Tax Expenses	105,136	133,255	26.7	111,874	(16.0)
Provision for Contingencies	50,741	12,353	(75.7)	85,167	589.4
Pension Plan and Medical Insurance	81,164	64,365	(20.7)	44,855	(30.3)
Financial Expenses (Revenues)	99,803	157,300	57.6	134,468	(14.5)
Other Costs and Expenses	142,511	166,116	16.6	228,489	37.5
<b>Total Costs &amp; Expenses</b>	<b>2,122,214</b>	<b>2,256,261</b>	<b>6.3</b>	<b>2,428,463</b>	<b>7.6</b>
Income tax & Social Contribution Tax	189,753	235,519	24.1	261,032	10.8
<b>Net Profit</b>	<b>531,980</b>	<b>572,475</b>	<b>7.6</b>	<b>693,713</b>	<b>21.2</b>
<b>Net Margin %</b>	<b>18.7%</b>	<b>18.7%</b>	<b>0 p.p</b>	<b>20.5%</b>	<b>1.8 p.p</b>
<b>EBITDA</b>	<b>999,747</b>	<b>1,166,330</b>	<b>16.7</b>	<b>1,340,550</b>	<b>14.9</b>
<b>EBITDA Margin %</b>	<b>35.2%</b>	<b>38.1%</b>	<b>2.9 p.p</b>	<b>39.6%</b>	<b>1.6 p.p</b>
<b>EBIT</b>	<b>821,536</b>	<b>965,294</b>	<b>17.5</b>	<b>1,089,213</b>	<b>12.8</b>
<b>EBIT Margin %</b>	<b>28.9%</b>	<b>31.5%</b>	<b>2.6 p.p</b>	<b>32.2%</b>	<b>0.7 p.p</b>

# Adjusted EBITDA



## Adjusted EBTIDA with non-manageable items

(in BRL MM)	9M19
<b>EBITDA</b>	<b>1,340.5</b>
<b>(+) Non-manageable items</b>	<b>97.3</b>
Electricity	36.8
Treatment Material	19.9
Fees & Charges	40.6
<b>(=) Adjusted EBITDA with non-manageable items</b>	<b>1,437.8</b>
<b>EBITDA Margin</b>	<b>42.5%</b>

# Non-recurring items



Non-recurring items	3Q18	3Q19	9M18	9M19
<b>Net Income</b>	<b>132,000</b>	<b>243,640</b>	<b>572,475</b>	<b>693,713</b>
PAI & PDVTC (Retirement Program)	-	-	6,811	-
IBAMA Agreement	-	-	18,000	-
Third-parties damage indemnities (Itajuí)	16,154	-	16,154	-
Passive monetary variation finance lease	26,536	-	43,933	-
Maringá Municipality Indemnity - 21st Amendment to the Concession Contract	-	-	-	28,690
Tax Effects	(14,515)	-	(22,745)	(3,327)
<b>Recurring Net Income</b>	<b>160,176</b>	<b>243,640</b>	<b>634,628</b>	<b>719,076</b>
<b>Realized Net Income</b>	<b>132,000</b>	<b>243,640</b>	<b>572,475</b>	<b>693,713</b>
Recurring vs. Realized Variation	21.3%	0.0%	10.9%	3.7%
<b>Recurring Net Margin</b>	<b>15.3%</b>	<b>20.6%</b>	<b>20.7%</b>	<b>21.3%</b>
<b>Realized Net Margin</b>	<b>12.6%</b>	<b>20.6%</b>	<b>18.7%</b>	<b>20.5%</b>
Recurring vs. Realized Variation	2.7 p.p	0 p.p	2 p.p	0.7 p.p
<b>Recurring EBITDA</b>	<b>373,142</b>	<b>485,783</b>	<b>1,207,296</b>	<b>1,369,240</b>
<b>Realized EBITDA</b>	<b>356,988</b>	<b>485,783</b>	<b>1,166,331</b>	<b>1,340,550</b>
Recurring vs. Realized Variation	4.5%	0.0%	3.5%	2.1%
<b>Recurring EBITDA Margin</b>	<b>35.7%</b>	<b>41.0%</b>	<b>39.4%</b>	<b>40.5%</b>
<b>Realized EBITDA Margin</b>	<b>34.2%</b>	<b>41.0%</b>	<b>38.1%</b>	<b>39.6%</b>
Recurring vs. Realized Variation	1.5 p.p	0 p.p	1.3 p.p	0.8 p.p

# Balance Sheet



	2017	2018	Var %	09/30/2019	Var %
<b>Net Debt</b>	<b>(2,319,215)</b>	<b>(2,628,374)</b>	<b>13.3</b>	<b>(3,015,339)</b>	<b>14.7</b>
Availabilities	23,799	35,003	47.1	14,426	(58.8)
Financial Investments	510,089	291,620	(42.8)	243,049	(16.7)
Loans, Financing & Debentures	(2,716,838)	(2,771,319)	2.0	(3,111,329)	12.3
Dividends & Interest on Equity Capital	(136,265)	(183,678)	34.8	(161,485)	(12.1)
<b>Operating Working Capital</b>	<b>294,854</b>	<b>270,160</b>	<b>(8.4)</b>	<b>299,299</b>	<b>10.8</b>
Accounts Receivable, Net	617,337	661,124	7.1	732,554	10.8
Inventories	36,892	39,120	6.0	43,804	12.0
Contractors and Suppliers	(182,655)	(190,742)	4.4	(194,290)	1.9
Salaries and Social Charges	(176,720)	(239,342)	35.4	(282,769)	18.1
<b>Other Assets &amp; Liabilities</b>	<b>61,839</b>	<b>571,821</b>	<b>824.7</b>	<b>940,910</b>	<b>64.5</b>
Provisions	(505,634)	(461,797)	(8.7)	(546,964)	18.4
Pension Plan and Medical Insurance	(936,642)	(941,788)	0.5	(986,643)	4.8
Contracts Assets	1,025,470	1,393,188	35.9	1,728,595	24.1
Other Assets & Liabilities	478,645	582,218	21.6	745,922	28.1
<b>Fixed Assets</b>	<b>7,115,176</b>	<b>7,503,581</b>	<b>5.5</b>	<b>7,799,959</b>	<b>3.9</b>
<b>Equity</b>	<b>(5,152,654)</b>	<b>(5,717,188)</b>	<b>11.0</b>	<b>(6,024,829)</b>	<b>5.4</b>
<b>Days Working Capital</b>	<b>28</b>	<b>24</b>		<b>19</b>	

Note: Other assets / liabilities include: recoverable and deferred taxes, restricted and judicial deposits, other assets, concession contracts, contractual collateral and withholdings and other liabilities. Fixed assets include: intangibles, fixed assets, investments and contractual financial assets.

# Cash Flows



	9M17	9M18	Var %	9M19	Var %
<b>Operating Activities</b>	<b>1,039,865</b>	<b>1,006,209</b>	<b>(3.2)</b>	<b>1,055,836</b>	<b>4.9</b>
Adjusted Net Income for the Period	1,021,804	1,048,157	2.6	1,235,783	17.9
Assets Increase (Decrease)	(98,170)	(56,836)	(42.1)	(187,004)	229.0
Liabilities Increase (Decrease)	116,231	14,888	(87.2)	7,057	(52.6)
<b>Investing Activities</b>	<b>(519,880)</b>	<b>(694,973)</b>	<b>33.7</b>	<b>(752,489)</b>	<b>8.3</b>
<b>Financing Activities</b>	<b>(622,358)</b>	<b>(522,427)</b>	<b>(16.1)</b>	<b>(372,496)</b>	<b>(28.7)</b>
Loans & financing	95,224	378,972	298.0	566,614	49.5
Dividends and Interest on Equity	(280,773)	(298,395)	6.3	(394,293)	32.1
Financing Payments	(436,176)	(600,590)	37.7	(484,255)	(19.4)
Lease Payments	-	-	-	(61,060)	(100.0)
Other Variations	(633)	(2,414)	281.4	498	(120.6)
<b>Increase (Decrease)</b>	<b>(102,373)</b>	<b>(211,191)</b>	<b>106.3</b>	<b>(69,149)</b>	<b>(67.3)</b>
<b>Beginning of Period</b>	<b>638,330</b>	<b>533,888</b>	<b>(16.4)</b>	<b>326,624</b>	<b>(38.8)</b>
<b>End of Period</b>	<b>535,957</b>	<b>322,697</b>	<b>(39.8)</b>	<b>257,475</b>	<b>(20.2)</b>

# FINANCIAL AND INVESTOR RELATIONS

## EXECUTIVE OFFICE

