

# LEADERSHIP VISIONS

How do we accelerate the  
universalization of water  
services?

Carlos Piani

CEO  
SABESP

We are **SABESP**, the **2<sup>nd</sup> largest** global water and sanitation company by revenue, with a **market capitalization** of **us\$ 14 billion**



**28.1 million**

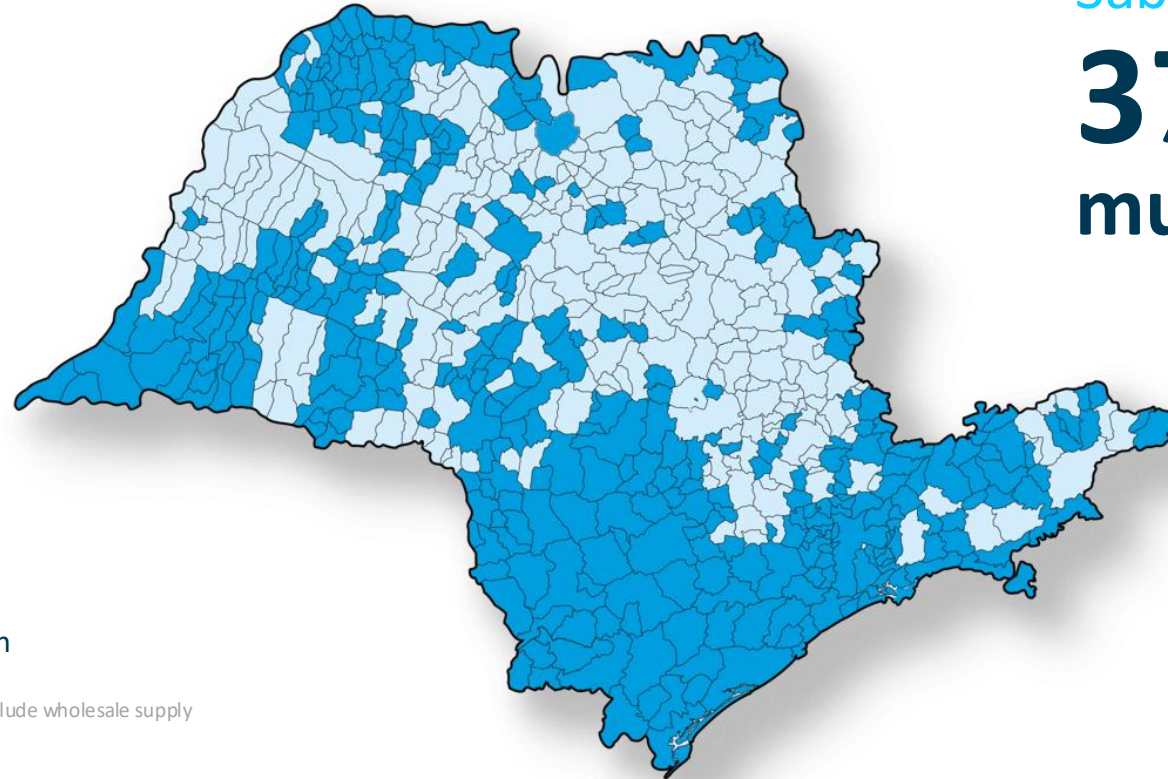
people directly receiving  
high quality water



**25.1 million**

people served  
with sewage collection

Supplied population: does not include wholesale supply



Sabesp operates in

**375**  
**municipalities**

Over

**62%**

of the urban  
population of the  
State of São Paulo

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**10.3 million**  
water connections

**93,500 km**  
distribution network and adductors

**235 WTP's**  
Water Treatment Plants

**1,218** wells

**BRL 1 billion** per year  
approximate investment in **Preventing water loss**

**98%**  
coverage

WATER  
SUPPLY  
from 95%  
in 1994

**262 liters**  
water loss per  
connection per day



**93%**  
coverage

SEWAGE  
COLLECTION  
from 68%  
in 1994

**85%**  
of units  
CONNECTED TO  
SEWAGE TREATMENT

Treatment per unit index (IEC)  
From **29%** in 1994 (Volumetric Sewage Index – ITEC)

**8.8 million**  
sewage connections

**63,900 km**  
collection network,  
emissaries and interceptors

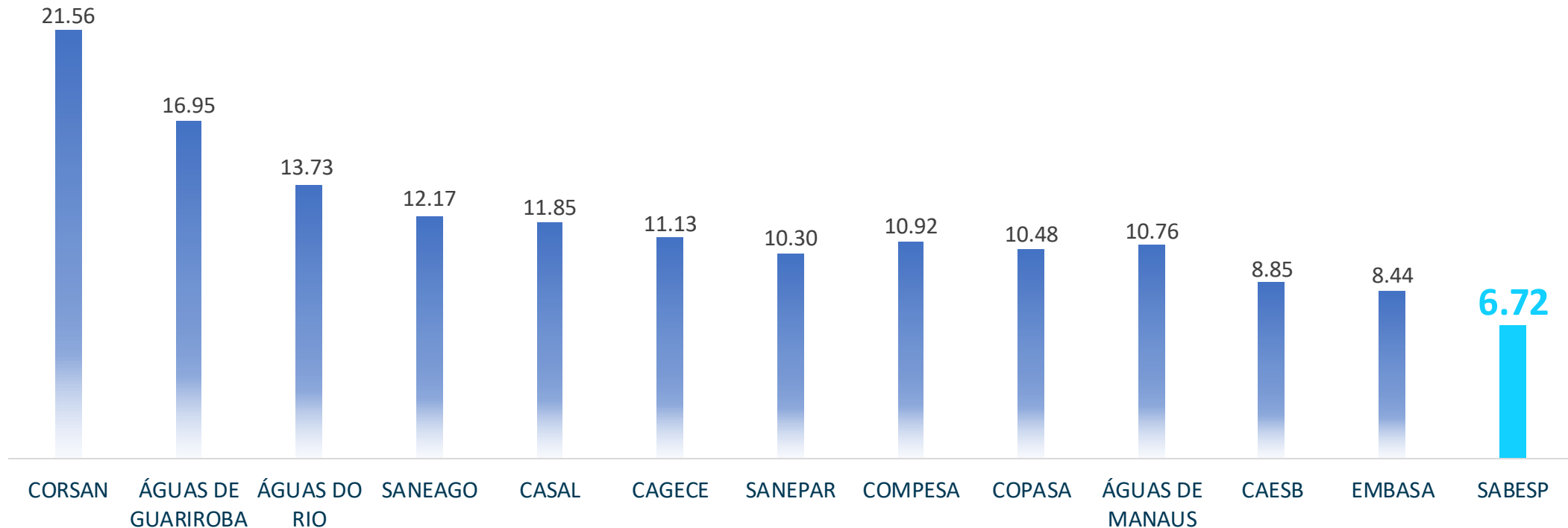
**596 STP's**  
Sewage Treatment Plants

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## Water Tariff – One of the Lowest in Brazil

Comparison between accounts of 10m<sup>3</sup>/month

Residential Consumer – water consumption (US\$/month – March/25)



Source: 2023 Sustainability Report and 2024 Balance Statement



# The universalization of services will happen by 2029, before the Brazilian legal framework requirement and the SDG commitments, driven by SABESP's privatization and a new management model



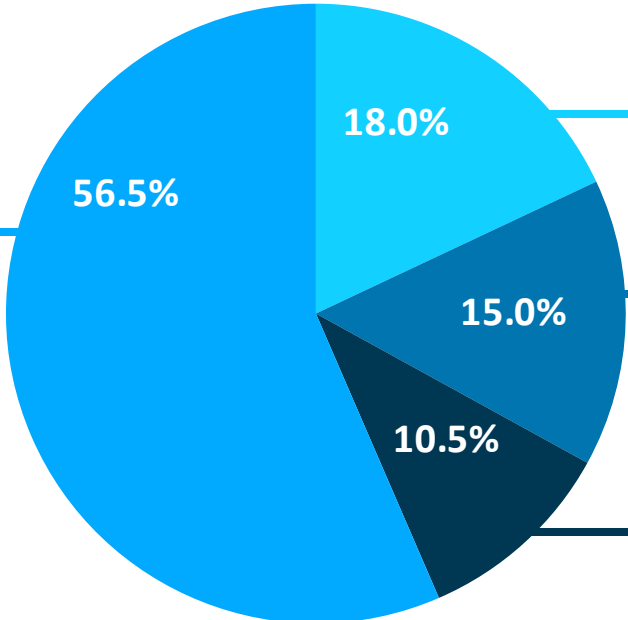
[B]<sup>3</sup>

Listed in B3, São Paulo's Stock Exchange since 1997 and part of the Novo Mercado sector since 2002; present in 100% of auctions



Solid commitment to minority shareholders

Listed in the **New York** and **São Paulo** Stock Exchanges for **over 20 years**



NYSE

Sabesp is listed in NYSE since 2002



First water and sanitation company listed in the New York Stock Exchange

# The **universalization** of services will happen by 2029, before the Brazilian legal framework requirement and the SDG commitments, driven by **SABESP's privatization** and **a new management model**

1. Mapping bottlenecks and limitations for universalization, including additional scope (informal and rural areas)

2. Strategic decisions

- Trade-off analysis of new technologies
- Mitigation plans for market capacity constraints
- Suppliers – updated contracts, improved working capital, bonus payment in case of early deliveries
- Anti-claim contracts

**+US\$ 12 billion**  
in capital expenditures



**“50 years in 5”**

# The **universalization** of services will happen by 2029, before the Brazilian legal framework requirement and the SDG commitments, driven by **SABESP's privatization** and **a new management model**

## Regulatory Models and their Impact on Investments

<ul style="list-style-type: none"><li>• Contract-based regulation</li></ul>	<ul style="list-style-type: none"><li>• Incentive-based regulation</li></ul>
<ul style="list-style-type: none"><li>• Misalignment of Interest</li></ul>	<ul style="list-style-type: none"><li>• Alignment of interest (Carrots and Sticks)</li></ul>
<ul style="list-style-type: none"><li>• Tariffs locked in prior to investments</li></ul>	<ul style="list-style-type: none"><li>• Tariffs set after Investments (Tariff Reviews)</li></ul>
<ul style="list-style-type: none"><li>• Claim management to resolved unplanned deviations</li></ul>	<ul style="list-style-type: none"><li>• SABESP: Annual universalization targets with fines and dividend payout restrictions</li></ul>

# Structured Programs have been **boosted** and will reach **communities** not previously considered



## Affordable Tariff Program



Benefits around **1.2 million consumers** of low-income families



That means around **3.4 million people** in the 375 municipalities served by SABESP\*



Benefited population grew **27%** with new suitability rules



Privatization brought **new benefits** to low-income consumers:

- 10% tariff reduction at privatization
- Tariff mitigation fund (FAUSP) w/ 30% of privatization proceeds and 100% of dividends from the State of SP

\* São Paulo State Data System projection of 2.81 inhab/household in the State in 2025



# Structured Programs have been **boosted** and will reach **communities** not previously considered



Over **194,000 connections** made compliant, with **777,000 people benefited** since 2017

In 2019 the program was recognized as a **Success Case** by the **UN's Global Compact Network Brazil** (SDG 6)

**110,000 additional connections** expected **by the end of 2025** (financed by IRDB)



**30,000 sewage connections** made compliant, with interventions inside households

**104,000 people benefited**

Partnership with the State Government of São Paulo



We are **committed** to **deliver on every promise** of our  
Privatization and **ready** to take SABESP to **wherever** better services are needed



## One of the Best Companies in Brazil

according to Instituto Trata Brasil

Of the **20 cities w/ best service** in the  
country **4 are served by SABESP**

We will meet the **SDG 6**  
**targets before 2030** and  
before the Brazilian Legal  
Framework

We will **double** our regulatory  
asset base in 5 years

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**ACCELERATING  
INVESTMENT**

12 - 14 May 2025 | Paris, FR