



2023 Full Year Results

April 3rd, 2024



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Patrick Blethon
Chief Executive
Officer

2023: Sustained growth recorded and EBITDA pressure amid inflationary challenges



Robust revenue growth of +8.1% (Organic and reported), **and record backlog**

Excellent commercial activity with new wins and strong order intake

Continued strength of the Industrial water business dynamics, which delivered a two-fold increase in EBITDA and a notable margin increase of +3.7 percentage points

2023 EBITDA temporarily contracted due to inflationary shock and unfavorable weather effect this summer on volumes. However, **operational and commercial performance, coupled with costs reduction and profitable growth in Industrial Water**, partly mitigated the impact

Selective strategic M&A in 2023 and focus on successful integrations

Accelerated transformation and ideal **portfolio positioning** to focus on customer needs

Peak leverage reached in 2023. Saur affirms continued commitment to deleverage, on the back of EBITDA growth, thanks to cost savings, reduced inflation, and strong business momentum

Key commercial 2023 achievements across business lines

Water Services France

- Strong **contract backlog**

€5.1bn

- **New wins** in 2023

€57m

Water International

- Iberia: Robust order intake in 2023

€19m

- **Acquisitions** of Ekos in Poland and CTGA* in Portugal

Industrial Water Solutions

- Strong **order intake**

€543m

- **Organic growth** in 2023

Revenue

+17%

EBITDA

+15%

Water France: Recent new wins and successful renewal of strategic contracts showcase the strong commercial dynamic

							
							
Renewal		New win		New win		New win	
Drinking Water Distribution		Wastewater Collection & Treatment services		Wastewater Collection & Treatment services		Drinking Water Distribution	
€12.3m p.a.		€5.0m p.a.		€4.8m p.a.		€8.5m p.a.	
Jan. 2024 – Dec. 2031		Jan. 2024 – Dec. 2028		Jan. 2024 – Dec. 2028		Jan. 2024 – Dec. 2031	
							
New win		Renewal		New win		New win	
Wastewater Collection & Treatment services		Drinking Water Production & Distribution		Drinking Water Production & Distribution		Drinking Water Production & Distribution	
€10.1m p.a.		€4.4m p.a.		€4.4m p.a.			
Jan. 2024 – Dec. 2031		Jan. 2024 – Dec. 2035					

Contract renewals offer the opportunity for upselling / cross-selling demonstrating strong commercial momentum with existing clients

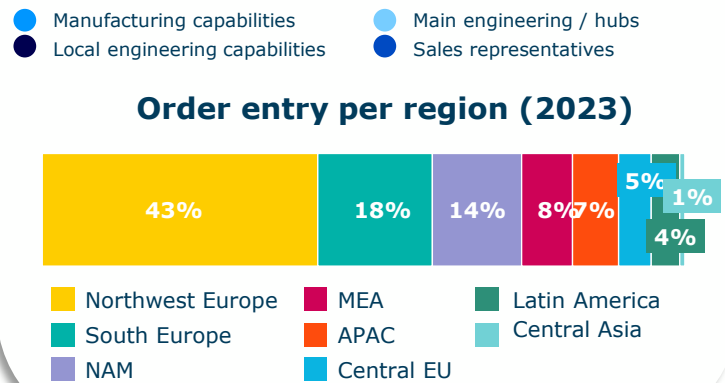
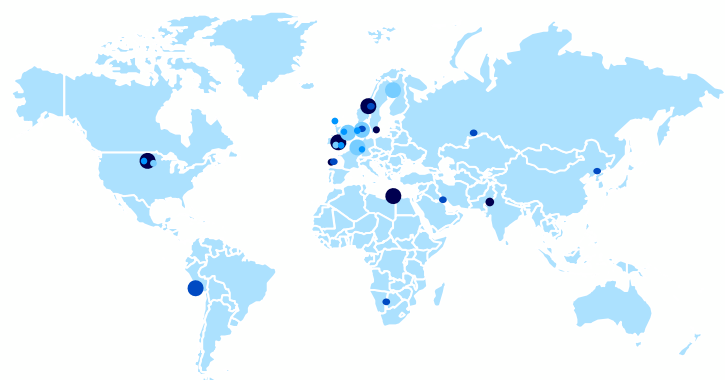
Industrial Water: Positive momentum with key successes across diversified markets and solutions

 	 	   	 	 
Wastewater the Netherlands WWTP + first NL re-use plant €8.0m Dec. 2023 - Jun. 2025	WFI and Pure Steam Generation Denmark €2.1B Facility \$9.9m May 2023 – Oct. 2024	Drinking Water CeraMac® ceramic membranes and ozone, United Kingdom £10.0m Oct. 2023 – Mar 2025	Pulp & Paper Wastewater Anaerobic Digestion Italy €10.4m Jun. 2023 – Dec. 2024	Wastewater Wet air Oxidation Unit + Additional purification unit, Poland USD 15.4m Jan. 2024 – Feb. 2026
		 	 	

Significant cross selling and synergies across industrial business entities

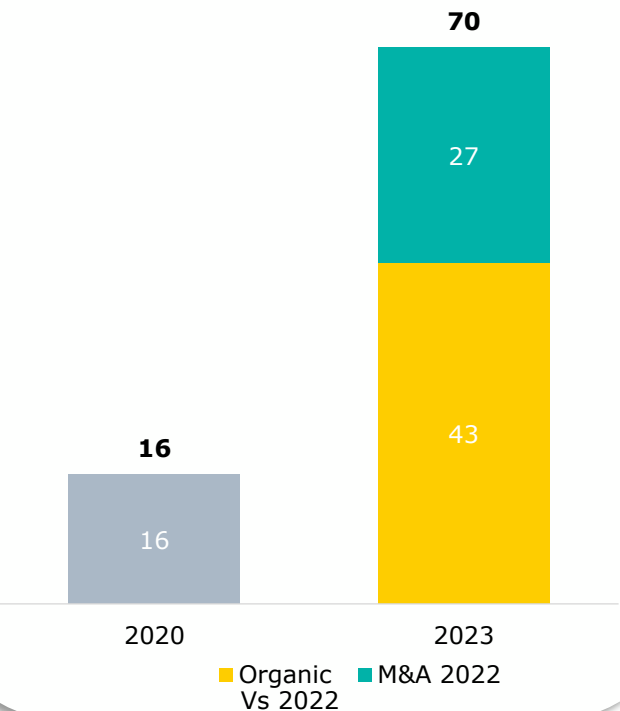
Global and Fast-Growing Business

Industrial Water has a global footprint ...



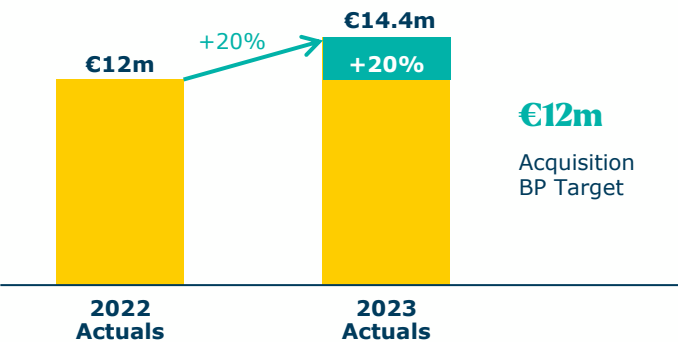
... with attractive growth fundamentals...

Industrial Water EBITDA in €m

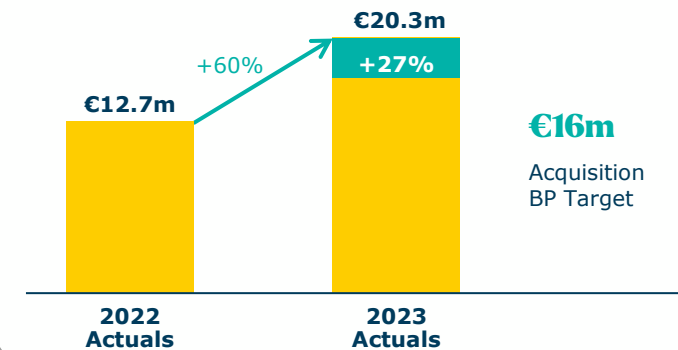


... and a track-record of overperformance of recent acquisitions

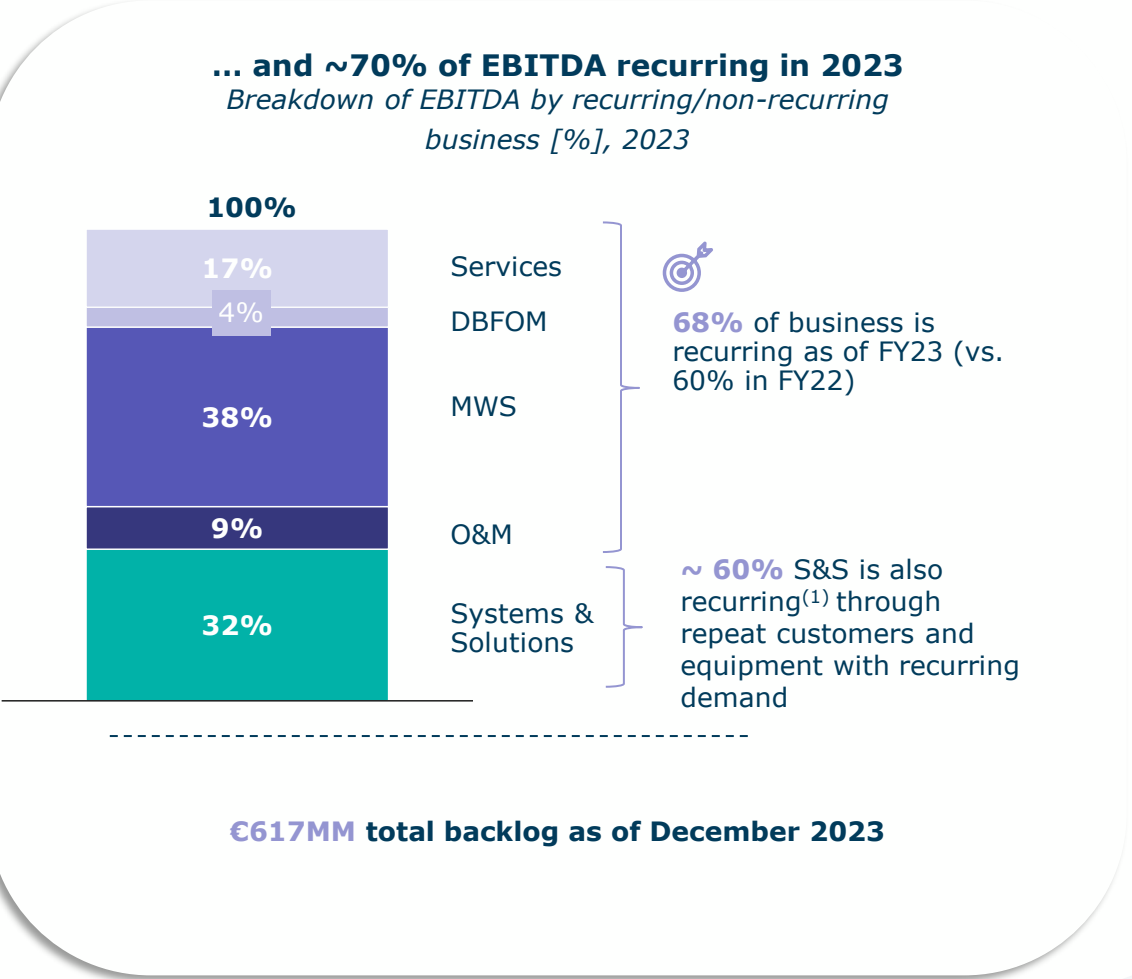
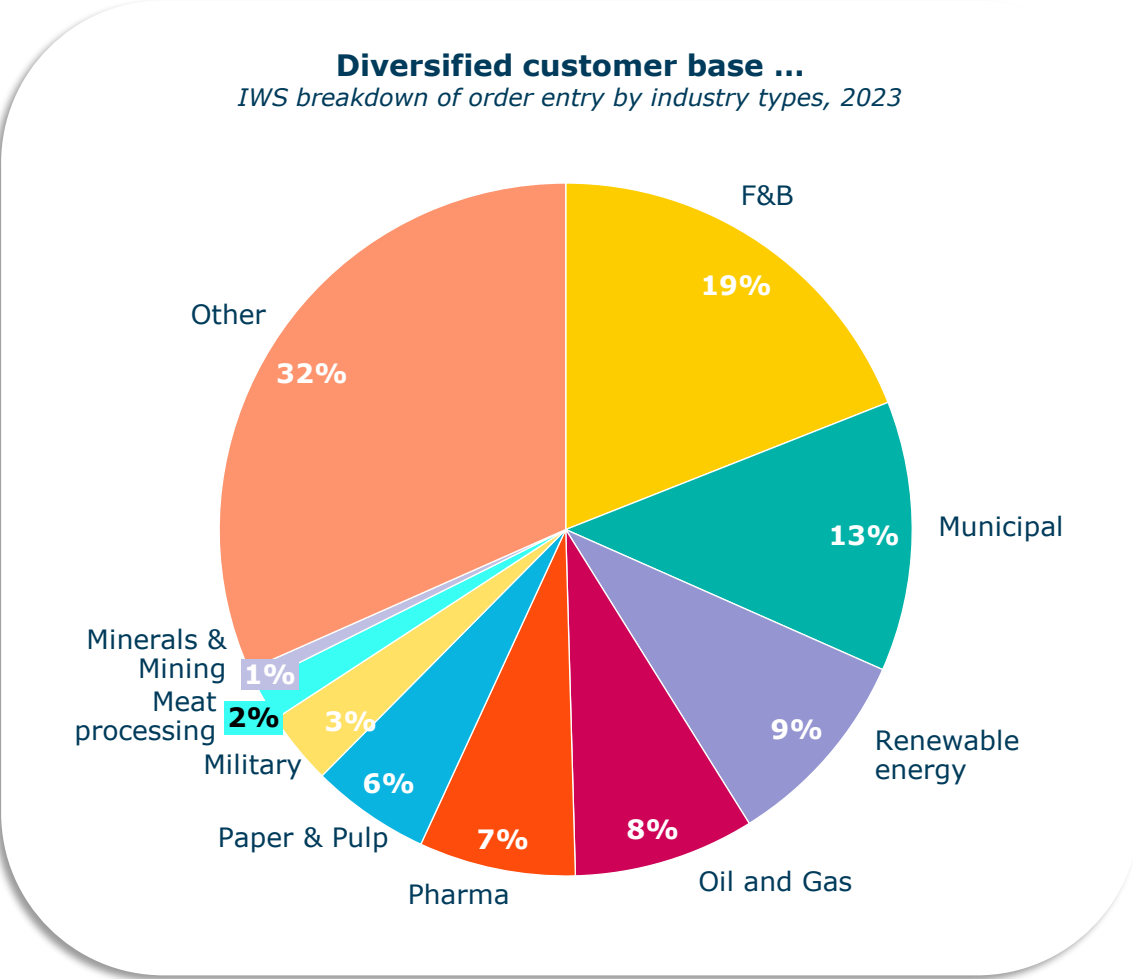
Aqua-Chem, EBITDA in €m



Mobile Water Services, EBITDA in €m



Diversified customer base and large share of recurring revenue



(1) Within Systems & Solutions, recurring part of the business is explained by long-term relationship with customers, limited volatility in demand for manufacturing equipment, and contract length up to 5 years

Water International: Strengthening the Platform

Acceleration of commercial momentum in Iberia

- €19m of order intake for Iberia in 2023, significantly higher than 2022
- Expansion of works in Spain and several contracts won or renewed in O&M
- Successful negotiation with Las Palmas municipality of water tariff rebalancing
- Acquisition of CTGA* in Portugal, further strengthening the Portuguese platform

Start of the expansion in GCC and selective external growth in other markets

- €20m order intake in Qatar for sewerage network refurbishment
- Award received from NWC for Digital Services through the Digital JV with Obeikan
- Recent acquisitions of Ekos in Poland, supporting Saur's ambitions in Poland as new platform for Water International

Energy procurement optimisation

- Virtual Power Purchase Agreement in Iberia fully operational
- Additional long term energy purchase contract in Spain with Endesa at a fixed price (signed mid 2023)

Well-positioned for steady and durable growth

Unprecedented water market tailwinds from highly supportive megatrends



- ✓ **Water scarcity and quality**
- ✓ **Circularity**
- ✓ **Decarbonization**
- ✓ **Regulatory pressure**
- ✓ **Demand for technology**
- ✓ **Outsourcing**

Leading water infrastructure player and sole pure-player water company



- ✓ **Full suite of differentiated and synergetic solutions** allowing to upsell and cross-sell current customers, while increasing market share
- ✓ **One-stop shop technology** offer to a diversified customer base
- ✓ **Large and growing potential addressable markets** in both municipal and industrial water businesses



Alice Schmauch
Chief Financial
Officer

Key highlights

Revenues

€2,092m +8.1% y-o-y

Organic growth*

+8.1% y-o-y

EBITDA*

€222m

Adjusted EBITDA*

€239m

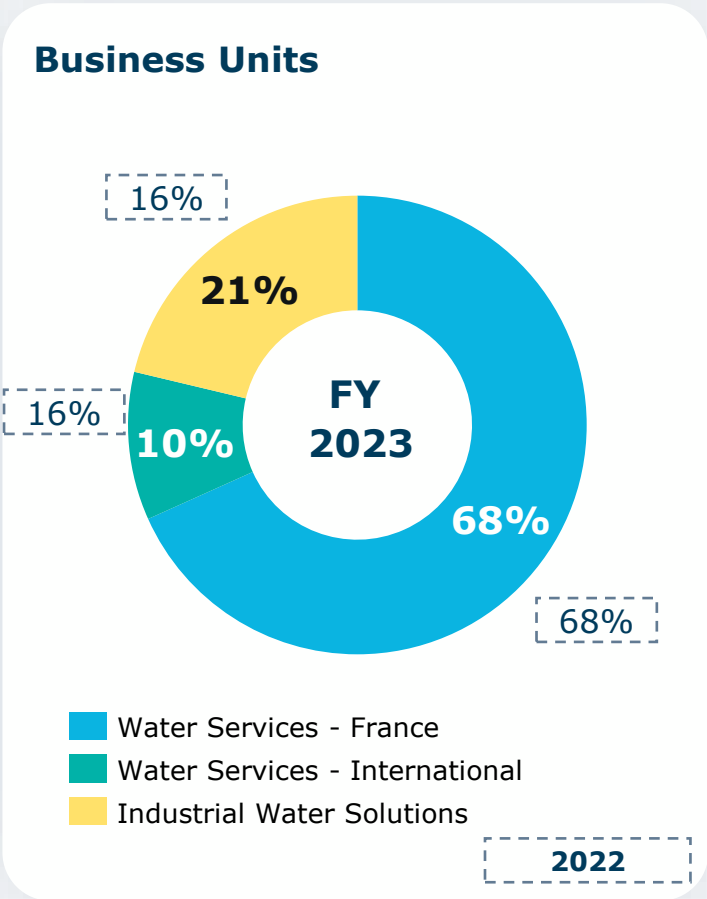
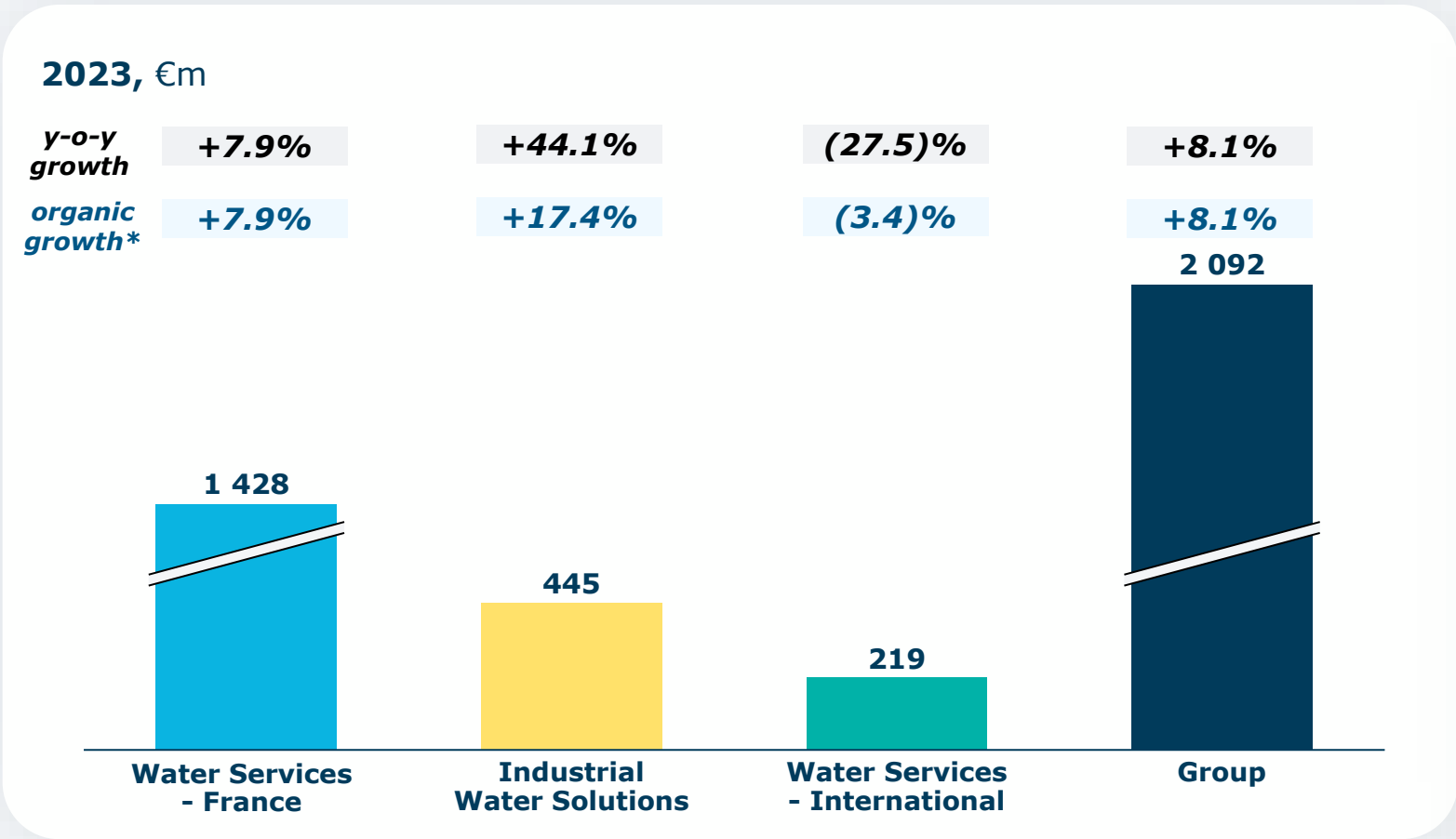
Net Financial debt

€1,241m

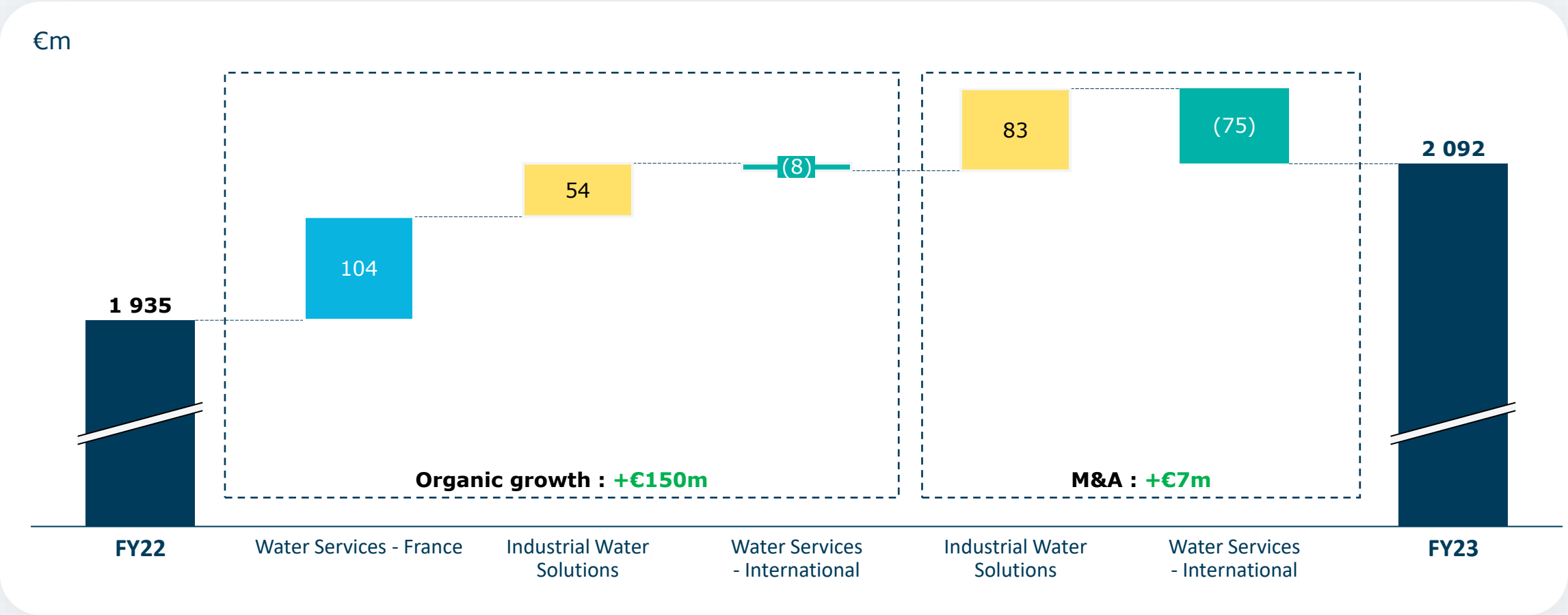
Leverage ratio*

5.2x

Revenues by segment

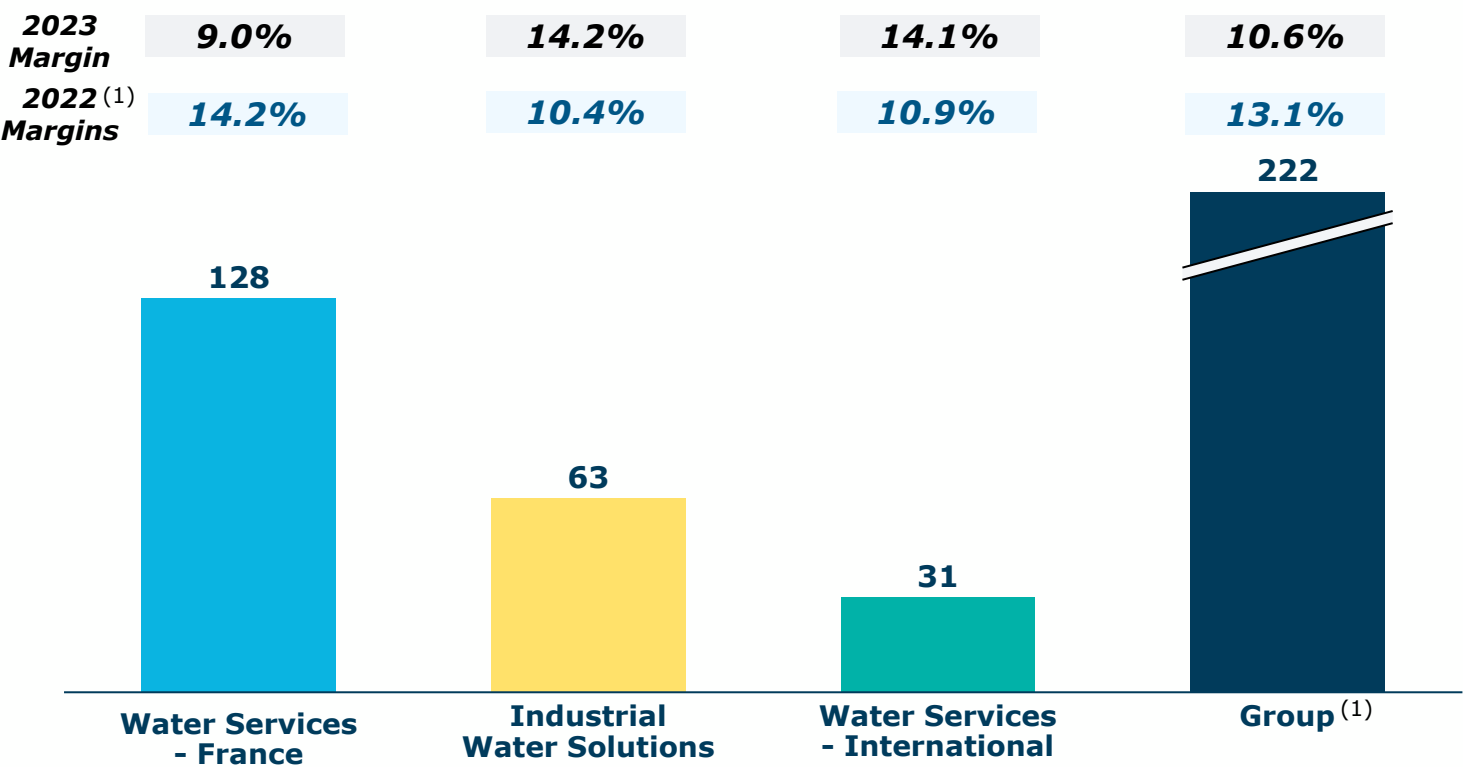


Revenue growth

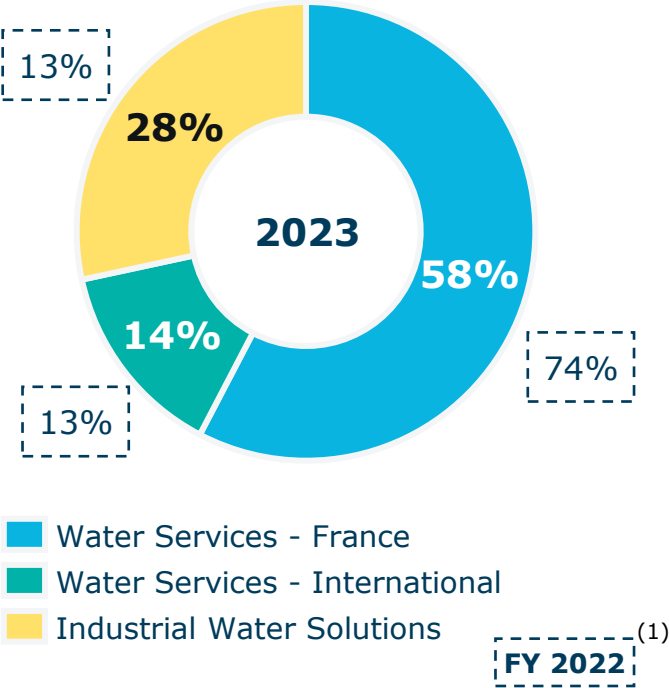


EBITDA by segment

EBITDA* – 2023, €m



EBITDA* by Business Units



(*) The aggregates marked with an (*) are non-IFRS, detailed definition is presented in the appendix.
 (1) The 2023 unbilled costs of Corporate HQ and IT have been reallocated to each Business Unit applying IFRS 8 "operating segments". 2022 figures have been restated for comparability. Please refer to appendix for a reconciliation.



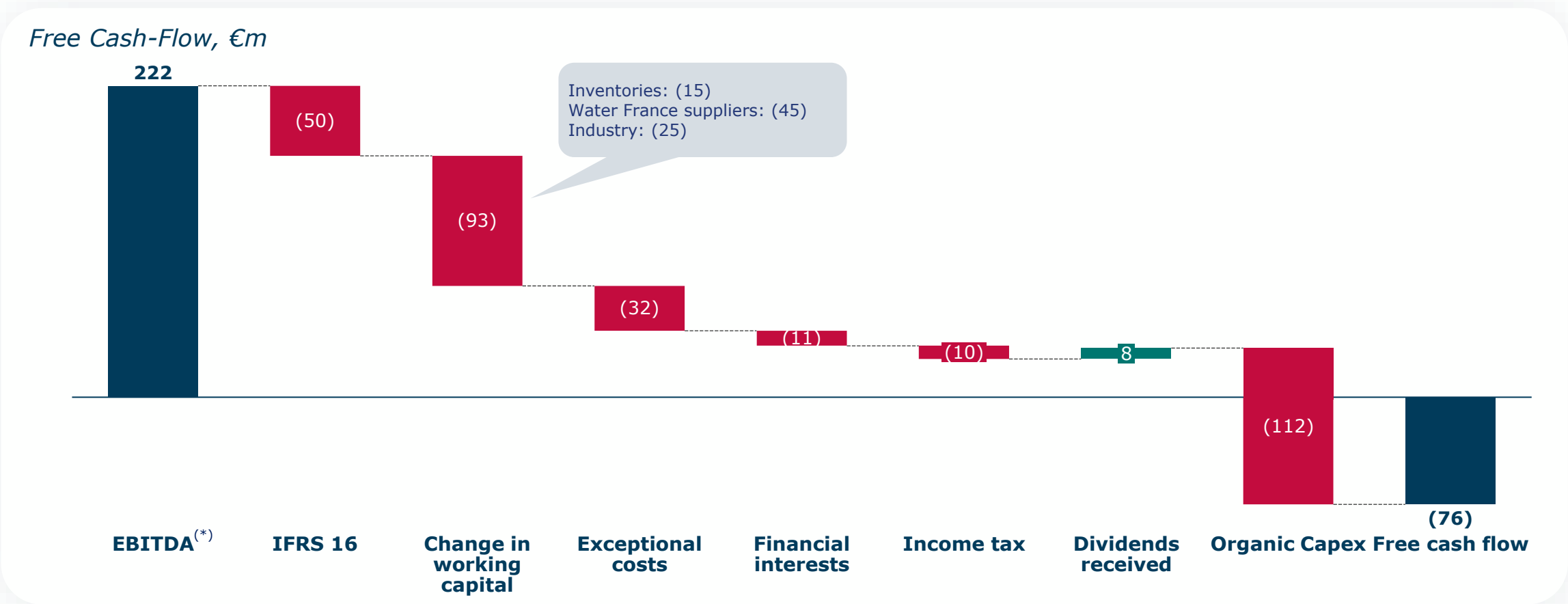
2022 – 2023 Group EBITDA evolution



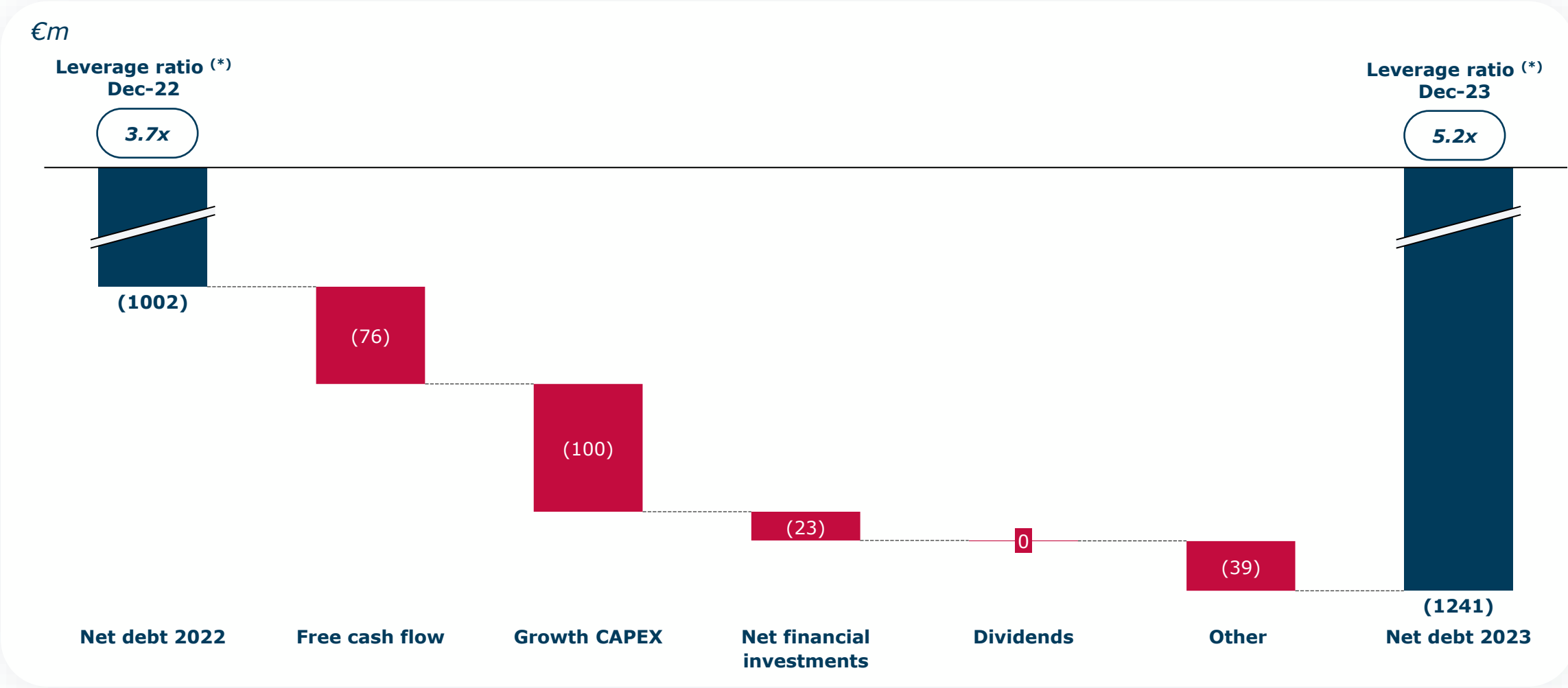
Income Statement

<i>In €m</i>	Full Year		Variation	Organic growth
	2022	2023		
Revenue	1 935	2 092	8.1%	8.1%
Direct Costs	(1 488)	(1 670)		
Margin on Direct Costs	447	422	-5.6%	
%	23.1%	20.2%	(2.9)pts	
Operating expenses	(193)	(200)		
EBITDA*	253	222	-12.3%	
%	13.1%	10.6%	(2.5)pts	
Depreciation & Amortization	(176)	(215)		
Other operating income and expenses	(69)	(25)		
Share of Group companies	8	9		
Operating result*	16	(9)	n.a	
%	0.8%	-0.4%	(1.3)pts	
Financial result*	(11)	(40)		
Income tax	(5)	(5)		
Discontinued activities	22	0		
Net result	23	(55)	n.a	
Adjusted EBITDA	275	239	-13.3%	

EBITDA to Free Cash-Flow



Net financial debt bridge



Liquidity

Cash and Short-term liquid investments ⁽¹⁾

€307m

Undrawn revolving credit facility ⁽²⁾

€200m

Total liquidity

€507m



Conclusion

2024 outlook

Revenue growth

Double digits

EBITDA margin

Improvement

Commitment to

Deleveraging



Q&A



Appendix

Definitions

Non-IFRS

Non-IFRS EBITDA and operating result include the realized gains and losses under the Virtual Power Purchase Agreement (VPPA) entered into in July 2022 in Iberia, which are recorded in financial result under IFRS. Reconciliation with IFRS figures is presented in the appendix to this presentation.

Organic growth (like-for-like growth)

M&A activity is excluded from the growth rate as the metric is calculated at a constant perimeter.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

Adjusted EBITDA

Non IFRS EBITDA adjusted for (i) Discontinued activities, (ii) Minorities & Associates and (iii) M&A proforma impacts.

Free cash flow

Funds from operations less change in working capital and organic capital expenditures.

Net debt

Net financial debt (post IFRS16) including current and non-current financial debt less cash & cash equivalents.

Adjusted Net debt

Detailed calculation included in appendix: Reported Net debt adjusted for (i) Discontinued activities debt, (ii) Minorities & Associates debt, (iii) refinancing fees and (iv) financial instruments.

Leverage

Adjusted net debt (post IFRS16) / Adjusted EBITDA (post IFRS16)

Income statement

<i>In €m</i>	Full year		
	2023		
	IFRS	Adjustment	NON IFRS
Revenue	2 092	-	2 092
Direct Costs	(1 672)	2	(1 670)
Margin on Direct Costs	420	2	422
%	20.1%		20.2%
Operational Support	(211)	-	(211)
Functional & HQ Support	(203)	-	(203)
Profit sharing	(3)	-	(3)
Add-back (Depreciation, Provision, other)	217	-	217
EBITDA	220	2	222
%	10.5%		10.6%
Depreciation & Amortization	(215)	-	(215)
Other operating income and expenses	(25)	-	(25)
Share of Group companies	9	-	9
Operating result	(11)	2	(9)
%	-0.5%		-0.4%
Financial result	(38)	(2)	(40)
Income tax	(5)	-	(5)
Net result	(55)	(0)	(55)

Net result analysis

<i>In €m</i>	Full Year		Variation
	2022	2023	
EBITDA*	253	222	-12.3%
<i>in % of revenues</i>	13.1%	10.6%	(2.5)pts
Depreciation & Amortization	(176)	(215)	
Other operating income and expenses	(69)	(25)	
Share of Group companies	8	9	
Operating result*	16	(9)	n.a
<i>in % of revenues</i>	0.8%	-0.4%	(1.3)pts
Financial result*	(11)	(40)	
Income tax	(5)	(5)	
Discontinued activities	22	0	
Net result	23	(55)	n.a.

Financial result

<i>In €m</i>	Full Year		Variation
	2022	2023	
Debt interest	(5)	(19)	(14)
Other interest income and expense	(6)	(3)	3
Net interest expenses	(11)	(22)	(11)
Unrealized gain/(loss) on VPPA	0	(9)	(9)
Other	1	(9)	(10)
Other financial income & expenses	1	(18)	(19)
Financial result*	(11)	(40)	(30)

Balance sheet

<i>Assets</i>	Dec-22	Dec-23
<i>In €m</i>		
Intangible and tangible assets	1 317	1 434
Net goodwill	1 538	1 549
Investment in equity affiliates	137	135
Other non-current financial assets	31	31
Non-current financial instruments asset	2	1
Deferred tax asset	5	5
NON-CURRENT ASSETS	3 031	3 155
Inventory	46	64
Accounts receivables	1 405	1 475
Other current assets	139	170
Cash and Cash Equivalent	279	324
CURRENT ASSETS	1 870	2 032
Assets held for sale	0	0
TOTAL ASSETS	4 901	5 187

<i>Equity and Liabilities</i>	Dec-22	Dec-23
<i>In €m</i>		
Shareholders equity	1 146	1 087
Minority interests	40	36
EQUITY	1 185	1 123
Non-current provision	165	165
Financial Debt (Non-Current)	1 046	1 344
Other non-current liability	97	148
Non-current financial instruments liability	0	9
Deferred tax liability	65	59
NON-CURRENT LIABILITIES	1 374	1 725
Current provision	17	10
Financial Debt (Current)	200	197
Accounts payable	506	438
Customer advance payments	525	586
Payables to collectivities	641	676
Other current liabilities	416	416
Treasury liabilities	37	17
CURRENT LIABILITIES	2 341	2 339
Liabilities held for sale	0	0
TOTAL EQUITY AND LIABILITIES	4 901	5 187

Cash flow statement

<i>In €m</i>	Full Year	
	2022	2023
EBITDA IFRS	253	220
Realized gain/(loss) on VPPA	0	2
EBITDA NON IFRS	253	222
Income taxes (paid)/earned	(14)	(10)
Dividends received from companies under the equity method	7	8
Exceptional items from operations	(60)	(32)
Change in Working Capital	75	(93)
Other	(2)	(2)
CASH FLOWS FROM OPERATIONS	260	94
Net capital expenditures	(175)	(213)
Net cash from (used in) investing in financial assets	(347)	(23)
Perimeter change	(13)	1
CASH FLOWS FROM INVESTING	(535)	(234)
Increase in share capital	203	0
Dividends earned/(paid)	(2)	(0)
Financial interests paid	(14)	(13)
Changes in facility lines	150	(50)
NEU commercial paper	0	40
Bond issued in the period	0	300
Other changes in financial debt	(76)	(72)
CASH FLOWS FROM FINANCING	262	205
Cash and Cash equivalents - BoP	214	242
Cash flow for the period	(13)	65
Cash flow from discontinued activities	45	0
Impact of changes in exchange rates and other	(4)	1
Cash and Cash equivalents - EoP	242	307

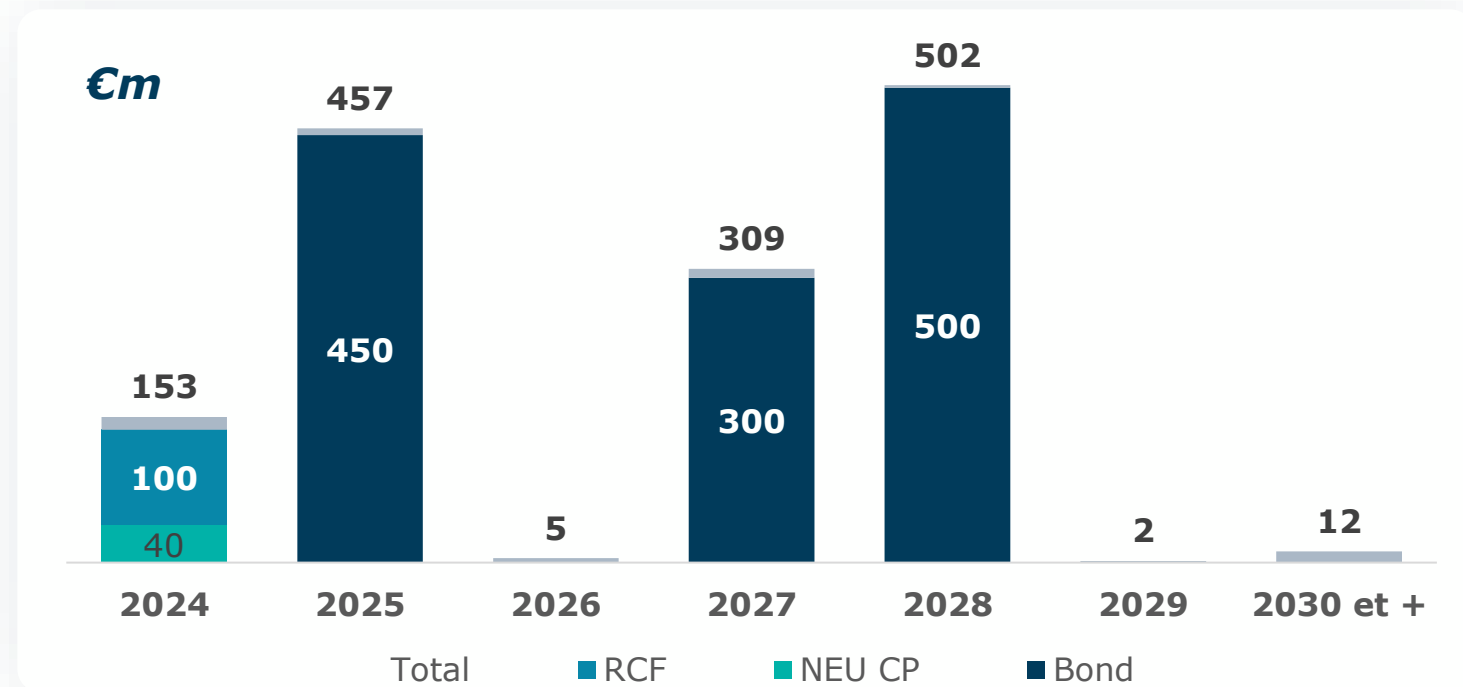
Free cash-flow

<i>In €m</i>	Full year	
	2022	2023
EBITDA NON IFRS	253	222
IFRS 16 impact	(42)	(50)
Exceptional costs	(60)	(32)
Financial interests	(12)	(11)
Income tax	(14)	(10)
Dividends received	7	8
Funds from operations (FFO)	133	128
Change in Working Capital	75	(93)
Cash flow generated by operations	208	35
Organic capital expenditures	(89)	(112)
Free cash flow	119	(76)

Net financial debt

<i>In €m</i>	Dec-22	Dec-23
Bonds	950	1 250
Facility lines	150	100
NEUCP	0	40
Leases	97	108
Put on minorities	7	6
Earn-out	11	8
Financial instruments	(2)	7
Other debts	31	29
Financial debts	1 243	1 548
Cash and Cash equivalents ⁽¹⁾	(242)	(307)
NET FINANCIAL DEBT	1 002	1 241

Debt maturity⁽¹⁾



Leverage

<i>In €m</i>	Full Year	
	Dec-22	Dec-23
EBITDA NON IFRS	253	222
Minorities	(13)	(8)
Associates	22	24
M&A - Acquisitions pro forma impacts	15	1
M&A - Disposals pro forma impacts	(3)	-
Adjusted EBITDA	275	239

<i>In €m</i>	Dec-22	Dec-23
Reported net financial debt	(1 002)	(1 241)
Minorities	(3)	0
Associates	(5)	(9)
Refinancing fees	(11)	(11)
Financial instruments	(2)	7
Adjusted net financial debt	(1 024)	(1 253)
Leverage ratio	3.7x	5.2x

Change in equity

<i>In €m</i>	Dec-22	Perimeter	Allocation	Dividends	FY 2023 Net profit	Other	Dec-23
Share capital	1 988	-	-	-	-	-	1 988
Retained earnings	(1 425)	-	34	-	(57)	-	(1 447)
Reserves	585	1	(34)	-	-	1	553
Other	(3)	-	-	-	-	(4)	(6)
Shareholders equity	1 146	1	-	-	(57)	(3)	1 087
Non-controlling interests	40	(6)	-	(0)	2	0	36
EQUITY	1 185	(5)	-	(0)	(55)	(3)	1 123

Restated EBITDA by Business Unit

<i>In €m</i>	Full year			Full year
	2022	IFRS 8 Adjustment	Restated 2022	2023
Water Services - France	186	2	188	128
Industrial Water Solutions	38	(5)	32	63
Water Services - International	38	(5)	33	31
Corporate HQ and IT	(8)	8	(0)	(0)
EBITDA	253	0	253	222
%	13.1%		13.1%	10.6%

About Saur

As a pure player in water and essential services, Saur works to protect the environment in the heart of the territories it serves. Saur has always acted to offer the same quality of service to small towns as to large cities, guided by its mission: to restore to water the value it deserves. Saur's worldwide presence: Cyprus, Finland, France, Germany, Italy, Netherlands, Poland, Portugal, Saudi Arabia, Singapore, South Korea, Spain, United Kingdom, United States of America. 2023 key figures: €2.1 billion Group net revenues, 9,500 local authorities and industrial clients contracted, 12,000 employees and 20 million consumers served worldwide.

#missionwater

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