

2024 Half Year Results

September 18th, 2024



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Patrick Blethon
Chief Executive
Officer

Good start for FY2024 with EBITDA improvement



Robust revenue growth of +11.1% and +8.4% organic

EBITDA improvement +11.6% across all segments. **Saur is on-track** to deliver profitable growth in 2024. Net positive impact of inflation, with the effect of indexation more than offsetting increase in costs

Good commercial start for 2024 with new wins and strong order intake

Solid growth of Water services activities, driven by tariff increase and commercial dynamism
Profitability improvement on the back of costs reductions despite inflation

Continued Industrial water activity expansion, with a two-fold increase in revenue and EBITDA

Selective strategic M&A and focus on successful integrations

H1 leverage at 5.9x impacted by cash flow seasonality

Deleveraging trajectory targeted fueled by EBITDA growth, costs savings and focus on cash flow generation

Water Services: Strong new win trend in 2024

  <p>New win</p> <p>Drinking Water Distribution</p> <p>€4.1m p.a.</p> <p>Jan. 2025 – Dec. 2035</p>	 <p>New win</p> <p>Drinking Water Distribution</p> <p>€3.0m p.a.</p> <p>Jan. 2025 – Dec. 2035</p>	<p>Ironi Bé (Mayotte)</p>  <p>New win</p> <p>Drinking Water Production & Desalinization</p> <p>€4.6m p.a. €31.6m (EPC)</p> <p>Jan. 2025 – Dec. 2028</p>	  <p>New win</p> <p>Drinking Water & Wastewater</p> <p>€3.9m p.a.</p> <p>Jul. 2024 – Jun. 2029</p>	  <p>New win</p> <p>Wastewater Collection & Treatment services</p> <p>€3.2m p.a.</p> <p>Jan. 2025 – Dec. 2026</p>	  <p>Mixed (80% renewal)</p> <p>Drinking Water Production & Distribution</p> <p>€3.0m p.a.</p> <p>Oct. 2024 – Sep. 2030</p>
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Contract renewals regularly come with upselling / cross-selling demonstrating strong commercial momentum with existing clients

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



O&M Services

Contracts upgrading and renew

Italy

€13.7m

Sep. 2024 - Sep. 2029



Desalination

UAE Merito JV - DAF system project WAVE

UAE

€3.4m

Feb. 2024 - Dec. 2024



Wastewater

Early engineering services for the Catania FEM Project

Italy

€4m

May 2024 - Aug. 2024



No. 5 Water Treatment Pkgs

Wastewater filtration & treatment

Qatar

€23.5m

Jun. 2024 - Jan. 2026



C'est ensemble que nous avançons.



Sugar Beet Wastewater

Water re-use and biogas valorization

France

€4.1m

Apr. 2024 - Sep. 2025



Significant cross selling and synergies across industrial business entities

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

Lilly



Water for Injection

USA

\$8.7m

Jul. 2024 – Dec. 2025

 **aqua-chem**

MILOS



Waste Water Treatment Rental

Greenfield Facility, temporary solution

USA

\$6.6m

Aug. 2023 – Jul. 2026

 **aqua-chem**  **econvert**
 **natural systems utilities**



CARBIO
Enzymes powering the Circular Economy



Wastewater

First WWTP plant in
Enzymatic plastic recycling
industry

France

**€12.6m CAPEX
+ €12.2m OPEX (on 10
years)**

Apr. 2024 – Jun. 2036

 **nijhuis**



Wastewater

Expedited delivery to
accommodate seasonal
summer residences

USA

\$4.9m

Jun. 2024 – Jul. 2025

 **natural systems utilities**

 **Kimberly-Clark**



Pulp & Paper WTP Upgrade

Mexico

€4.4m

Jun. 2024 – Sep. 2025

 **flootech**

Significant cross selling and synergies across industrial business entities

Strong ESG ambition

to give water the value it deserves

Alignment of ESG and Financing strategies

3 material KPIs for Saur's Sustainability-Linked financing framework⁽¹⁾:

Water withdrawals per subscriber



Carbon emissions intensity



Share of women in executive positions



Recent Achievements

Water savings

In Saumur, Saur set up a digital management platform for the 45 municipalities, which will use AI to increase network efficiency from 90% in 2025

Green Energy

Saur reached 100% of electricity procurement from renewable energy sources

Gender equality (France)

99/100 in 2023, up from 94/100 in 2022, governmental index

Saur is uniquely positioned to make a meaningful contribution towards a water secure net zero world

Global trends



- **Water scarcity and quality to worsen dramatically**
 - 🔧 **4bn** people facing water shortages at least once a month
 - 👥 **1/4** of the world population are in locations of high-water risk
- **\$6.7tn⁽¹⁾** investment in water-related infrastructure needed by 2030 and **\$22.6tn** by 2050 while
- **...only 15%** of annual spending in water comes from the Private sector
- **Private sector** is essential to **bridge the gap** and address water challenges

Specific trends in Saur's market (2023)



- 💧 **€2-9bn** cost of droughts annually in the EU⁽²⁾
- 🛡️ **81%** of French departments placed in crisis regarding restriction of water use⁽³⁾
- 💧 **1% of France's available water** is being reused
- 🚰 **20%** of the European territory and **30%** of Europeans are affected by water scarcity every year⁽⁴⁾
- Necessity to improve **water management**

Saur to play an active role



- ✓ **A global integrated pure player water platform**
- ✓ **A unique positioning**
 - 📊 Substantial scale
 - 🔧 Technical and operational know-how
 - 🔄 Full coverage of the water cycle
 - 🏗️ Unmatched combination of differentiated assets
 - 🏭 Accompanying Industrial clients on reducing their impact on water
- A purpose driven company aiming to be a leader of the **"hydric transition"**⁽⁵⁾

Spain Smart Water summit:
Best Public-Private Partnership award: Saur subsidiary Emalsa (2023)



TOGETAIR Climate Summit:
Stena Circular Economy awards for the Water Reuse Station project at CEDROB S.A. production plant (2023)



Global water awards: **Best water industrial project of the world in Warsaw** (Poland) for l'Oréal with Nijhuis Industries (2021)



Sources: World Bank, UN Stats, Company, European Environmental Agency, Water Reuse Europe

(1) According to the IEC

(2) Due to a reduction in agricultural yields, livestock and expansion of pests & diseases according to the European Commission

(3) Water use restrictions may be decided by the prefect based on the levels of water reserves in the department

(4) Water stress is a critical situation that arises when available water resources are below water demand

(5) Transition towards a water secure world.

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/data
- ✓ Industrial 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

Key priorities to support sustainable future growth, profitability, and focus on deleveraging



Topline and commercial development

in France, industry and international



Focus on margin improvement

Inflation mechanism and recovery, focus on contracts performance



Cash preservation

Including monitoring of exceptional items, focus on contracts pay back, working capital improvement



Focus on deleveraging

Through improved profitability and return to positive cash flow generation



Consolidate and integrate M&A, optimize processes and reap synergies

With internationalization of manufacturing to maximize synergies and mastering the value chain



France reorganization, appointment of France CEO

Rationalization of management organization to better monitor and accelerate action plan delivery



Operational excellence and cost reduction

Including purchasing performance plan, external charges and productivity



Alice Schmauch
Chief Financial Officer

Key highlights

Revenues

€1,121m +11.1% y-o-y

Organic growth*

+8.4% y-o-y

EBITDA*

€109m +11.6% y-o-y

Adjusted EBITDA*

€119m

Net Financial debt

€1,459m

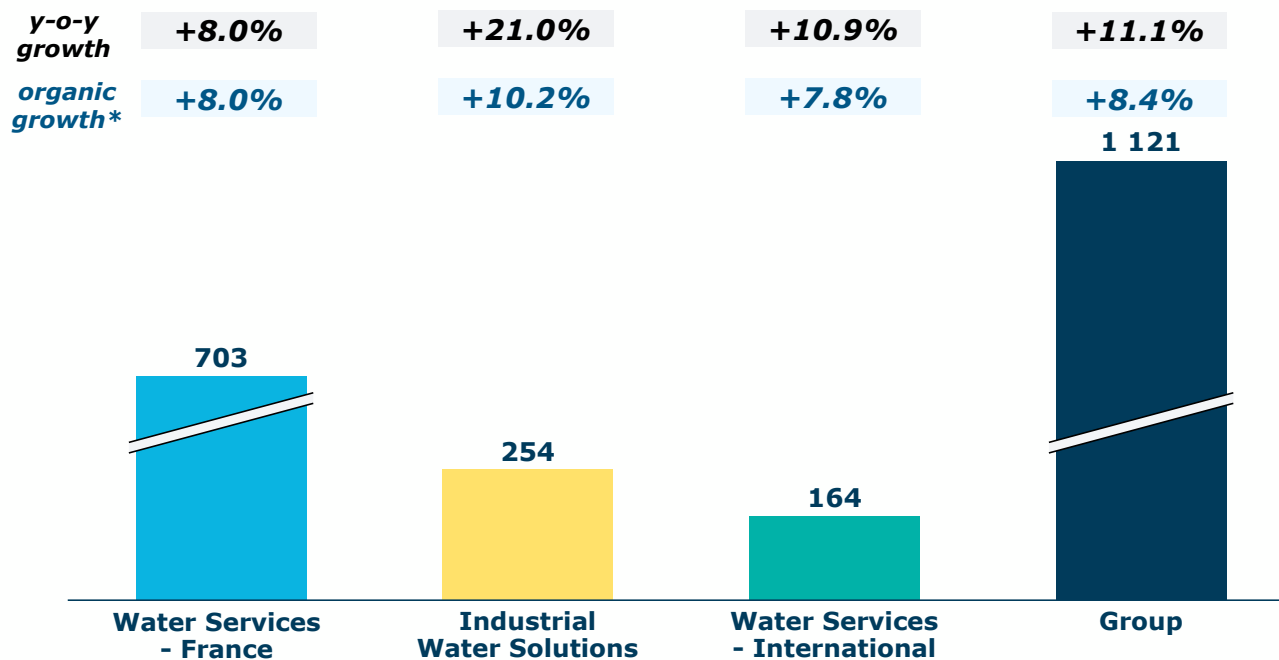
Leverage ratio*

5.9x

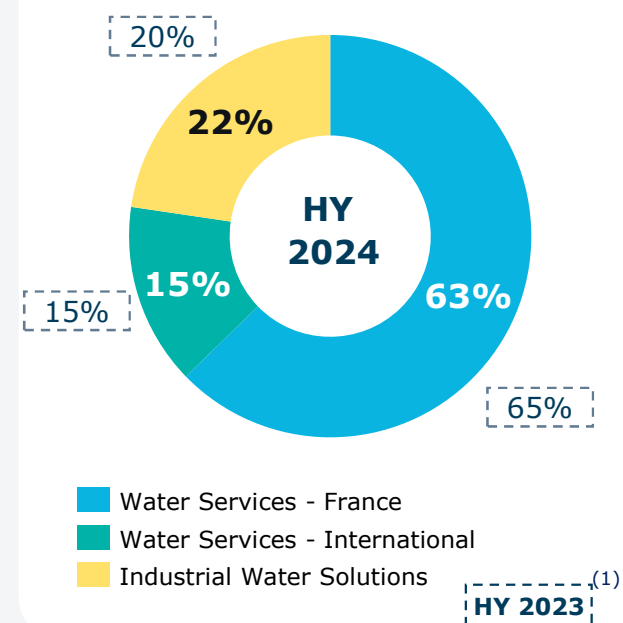


Revenues by segment

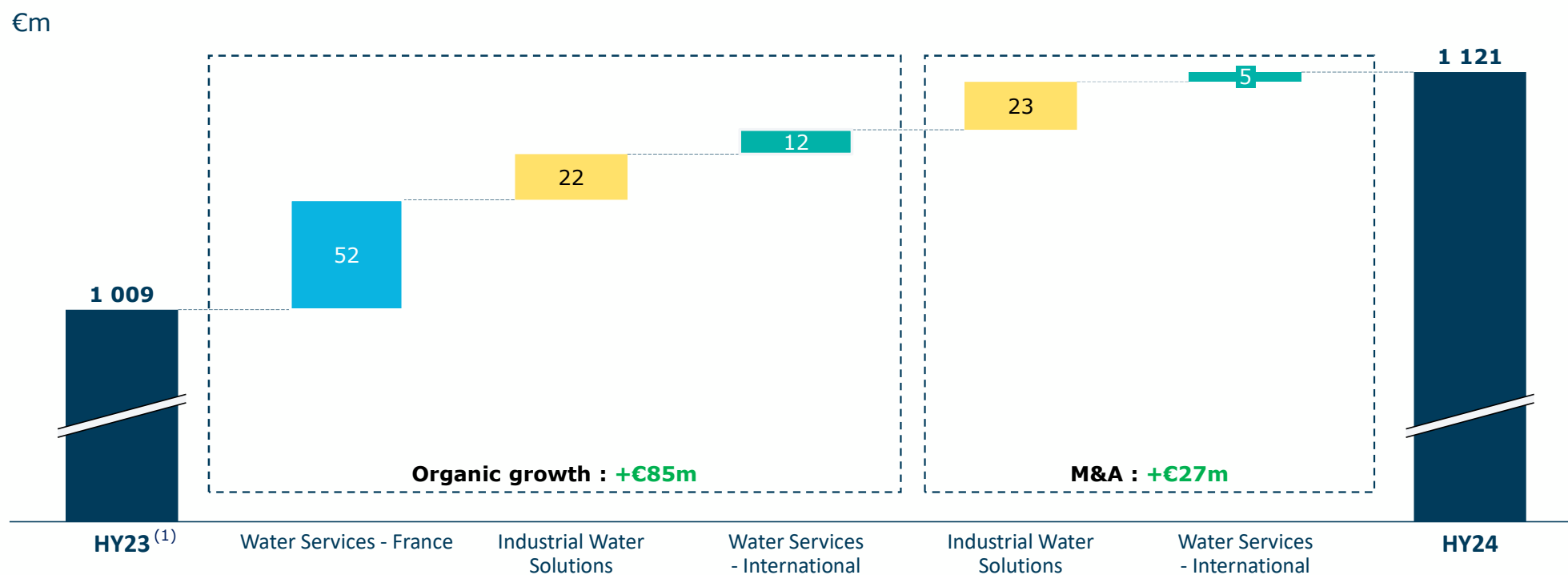
Revenues – HY 2024, €m



Business Units

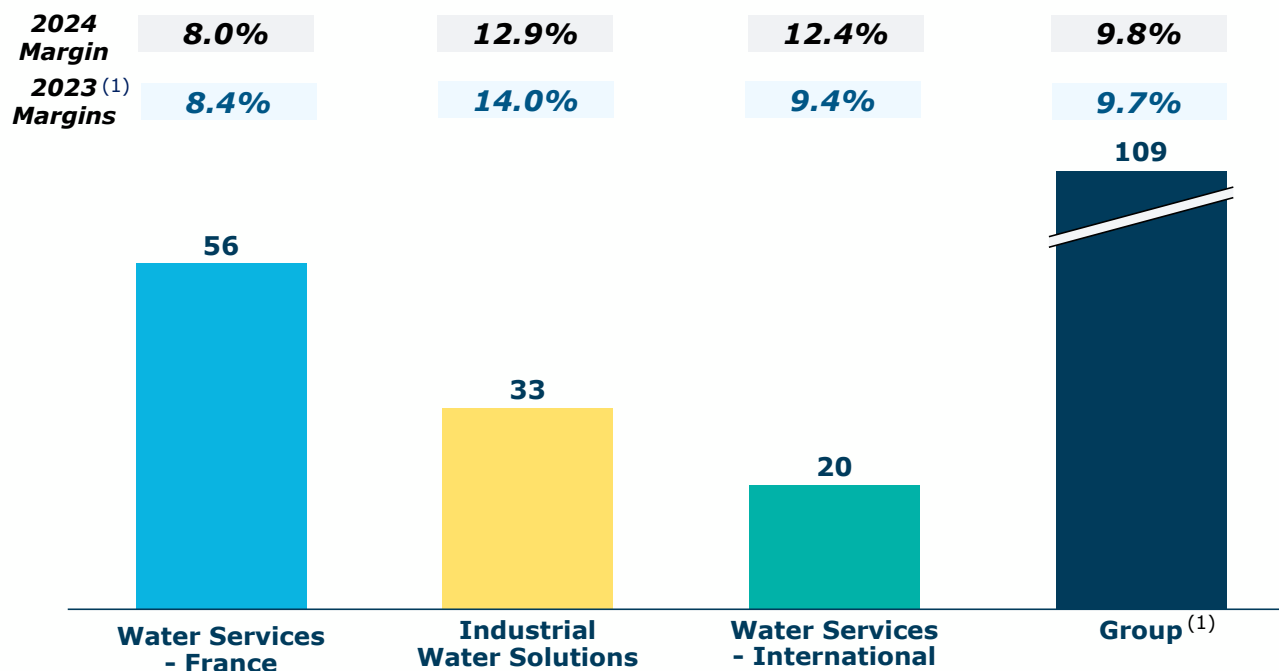


Revenue growth

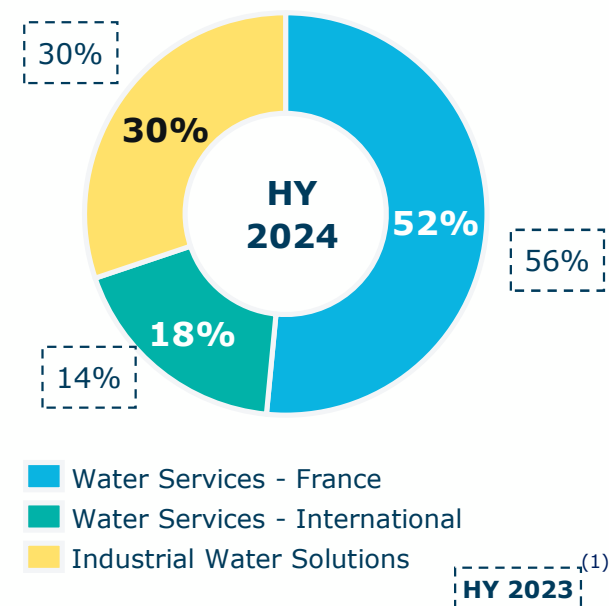


EBITDA by segment

EBITDA* – HY 2024, €m



EBITDA* by Business Units

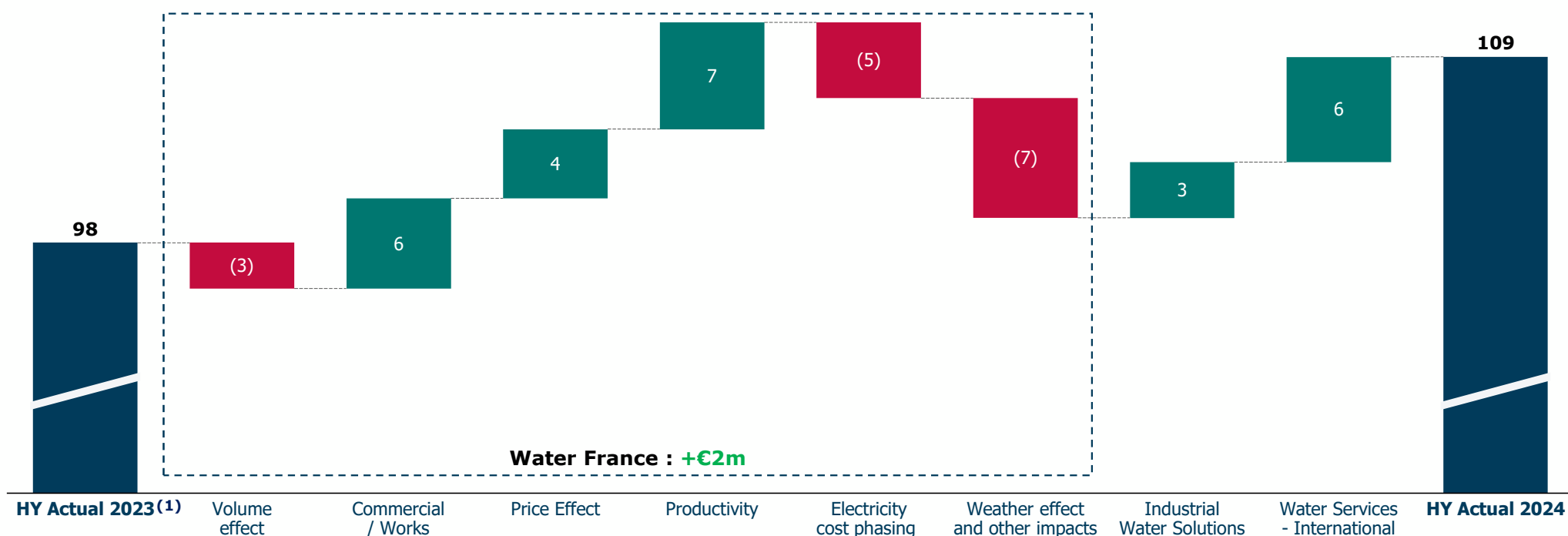


(*) The aggregates marked with an (*) are non-IFRS, detailed definition is presented in the appendix.

(1) The 2024 unbilled costs of Corporate have been reallocated to each Business Unit applying IFRS 8 "operating segments". Additionally, the transfer of French Overseas Territories from Water Services - France to International starting 1st January 2024 is reflected. 2023 figures have been restated for comparability for both adjustments. Please refer to appendix for a reconciliation.

Group EBITDA development

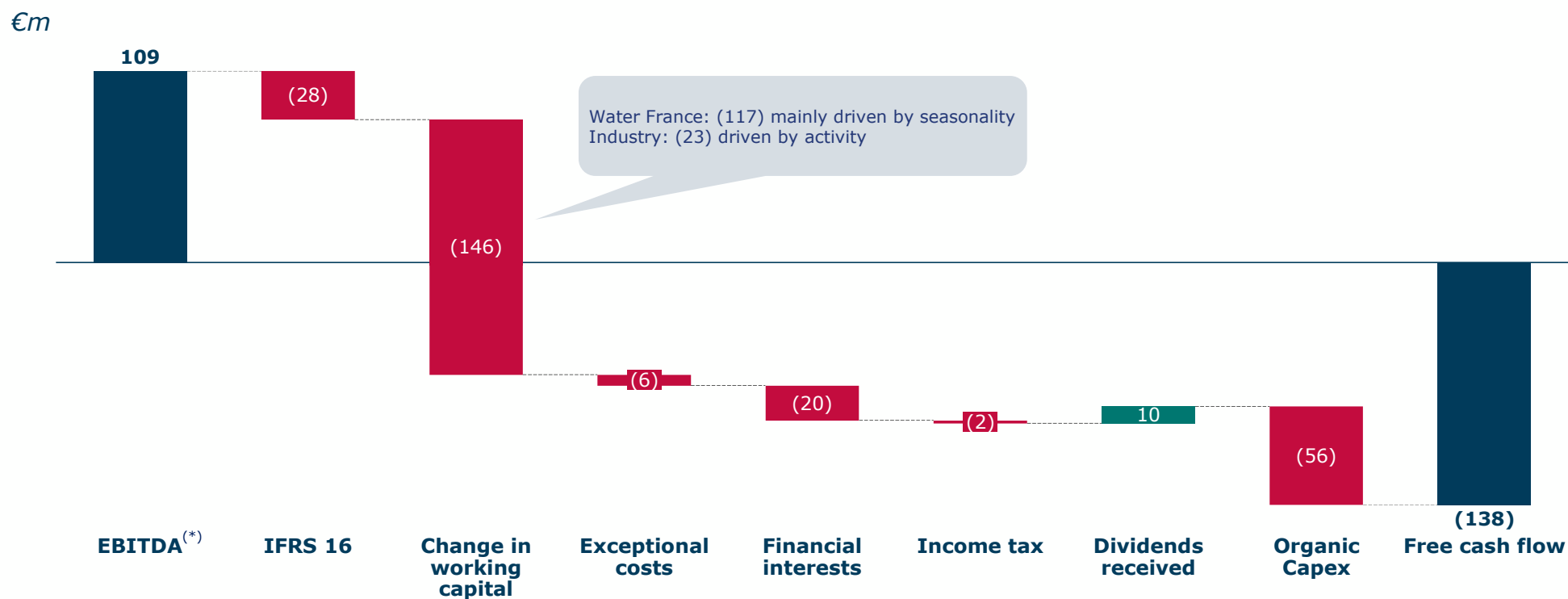
€m



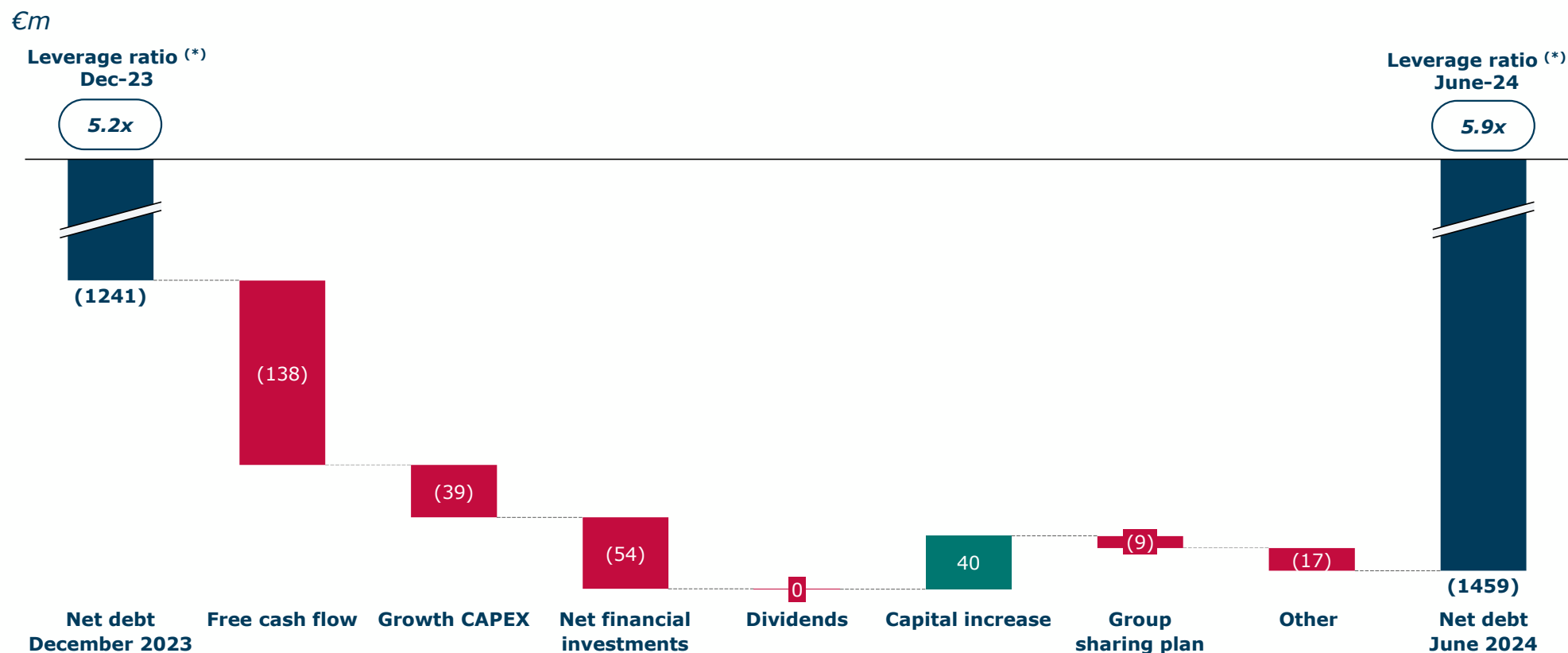
Income Statement

In €m	Half Year		Variation	Organic growth
	2023	2024		
Revenue	1 009	1 121	11.1%	8.4%
Direct Costs	(805)	(902)		
Margin on Direct Costs	203	219	7.6%	
%	20.2%	19.5%	(0.6)pts	
Operating expenses	(105)	(109)		
EBITDA*	98	109	11.6%	
%	9.7%	9.8%	+0.1 pts	
Depreciation & Amortization	(103)	(111)		
Other operating income and expenses	(7)	(1)		
Share of Group companies	4	4		
Operating result*	(9)	2	n.a	
%	-0.8%	0.2%	+1.0 pts	
Financial result*	(30)	(17)		
Income tax	4	(1)		
Net result	(34)	(16)	n.a	
Adjusted EBITDA	108	119	10.9%	

EBITDA to Free Cash-Flow



Net financial debt bridge



Liquidity

Cash and Short-term liquid investments ⁽¹⁾

€236m

Undrawn revolving credit facility ⁽²⁾

€160m

Total liquidity

€396m



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

In €m	Half Year		
	2024		
	IFRS	Adjustment	NON IFRS
Revenue	1 121	0	1 121
Direct Costs	(901)	(1)	(902)
Margin on Direct Costs	220	(1)	219
%	19.6%		19.5%
Operational Support	(115)	0	(115)
Functional & HQ Support	(102)	0	(102)
Profit sharing	(4)	0	(4)
Add-back (Depreciation, Provision, other)	112	0	112
EBITDA	111	(1)	109
%	9.9%		9.8%
Depreciation & Amortization	(111)	0	(111)
Other operating income and expenses	(1)	0	(1)
Share of Group companies	4	0	4
Operating result	3	(1)	2
%	0.3%		0.2%
Finance result	(18)	1	(17)
Income tax	(1)	0	(1)
Net result	(16)	(0)	(16)

Net result analysis

<i>In €m</i>	Half Year		Variation
	2023	2024	
EBITDA*	98	109	11.6%
<i>in % of revenues</i>	9.7%	9.8%	+0.1 pts
Depreciation & Amortization	(103)	(111)	
Other operating income and expenses	(7)	(1)	
Share of Group companies	4	4	
Operating result*	(9)	2	n.a
<i>in % of revenues</i>	-0.8%	0.2%	+1.0 pts
Financial result*	(30)	(17)	
Income tax	4	(1)	
Net result	(34)	(16)	n.a

Financial result

<i>In €m</i>	Half Year		Variation
	2023	2024	
Debt interest	(5)	(9)	(4)
Other interest income and expense	(5)	(7)	(2)
Net interest expenses	(10)	(16)	(6)
Unrealized gain/(loss) on VPPA	(19)	(1)	18
Other	(1)	(0)	1
Other financial income & expenses	(20)	(1)	19
Financial result*	(30)	(17)	13

Balance sheet

<i>Assets</i>	Dec -23	Jun -24
<i>In €m</i>		
Intangible and tangible assets	1 434	1 507
Net goodwill	1 549	1 596
Investment in equity affiliates	135	129
Other non-current financial assets	31	34
Non-current financial instruments asset	1	1
Deferred tax asset	5	5
NON-CURRENT ASSETS	3 155	3 272
Inventory	64	68
Accounts receivables	1 475	1 533
Other current assets	168	148
Current financial instruments asset	2	0
Cash and Cash Equivalent	324	289
CURRENT ASSETS	2 032	2 038
TOTAL ASSETS	5 187	5 311

<i>Equity and Liabilities</i>	Dec -23	Jun -24
<i>In €m</i>		
Shareholders equity	1 087	1 120
Minority interests	36	36
EQUITY	1 123	1 157
Non-current provision	165	160
Financial Debt (Non-Current)	1 344	1 341
Other non-current liability	148	176
Non-current financial instruments liability	9	10
Deferred tax liability	59	60
NON-CURRENT LIABILITIES	1 725	1 746
Current provision	10	9
Financial Debt (Current)	197	344
Accounts payable	438	440
Customer advance payments	586	367
Payables to collectivities	676	805
Other current liabilities	416	388
Current financial instruments liability	1	1
Treasury liabilities	17	53
CURRENT LIABILITIES	2 339	2 408
TOTAL EQUITY AND LIABILITIES	5 187	5 311

Cash flow statement

In €m	Half Year	
	2023	2024
EBITDA IFRS	97	111
Realized gain/(loss) on VPPA	1	(1)
EBITDA NON IFRS	98	109
Income taxes (paid)/earned	(5)	(2)
Dividends received from companies under the equity method	5	10
Exceptional items from operations	(12)	(6)
Change in Working Capital	(143)	(146)
Other	2	1
CASH FLOWS FROM OPERATIONS	(54)	(33)
Net capital expenditures	(90)	(100)
Net cash from (used in) investing in financial assets	(13)	(54)
Perimeter change	1	(0)
CASH FLOWS FROM INVESTING	(102)	(153)
Increase in share capital	(0)	40
Dividends earned/(paid)	(0)	(0)
Financial interests paid	(5)	(22)
Changes in facility lines	(100)	140
NEU commercial paper	0	4
Sharing plan	0	(9)
Bond issued in the period	300	0
Other changes in financial debt	(42)	(38)
CASH FLOWS FROM FINANCING	152	115
Cash and Cash equivalents - BoP	242	307
Cash flow for the period	(4)	(72)
Impact of changes in exchange rates and other	0	1
Cash and Cash equivalents - EoP	238	236

Free cash-flow

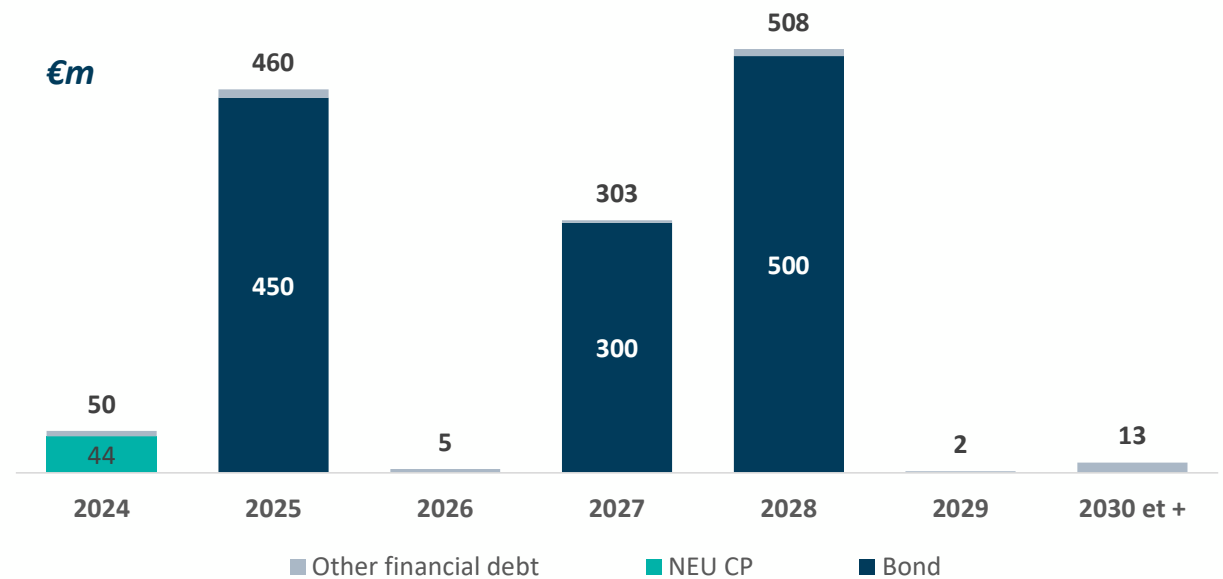
<i>In €m</i>	Half Year	
	2023	2024
EBITDA NON IFRS	98	109
IFRS 16 impact	(22)	(28)
Exceptional costs	(12)	(6)
Financial interests	(4)	(20)
Income tax	(5)	(2)
Dividends received	5	10
Funds from operations (FFO)	60	64
Change in Working Capital	(143)	(146)
Cash flow generated by operations	(83)	(82)
Organic capital expenditures	(40)	(56)
Free cash flow	(123)	(138)

Net financial debt

<i>In €m</i>	Dec -23	Jun -24
Bonds	1 250	1 250
Facility lines	100	240
NEUCP	40	44
Leases	108	115
Put on minorities	6	6
Earn-out	8	8
Financial instruments	7	10
Other debts	29	23
Financial debts	1 548	1 695
Cash and Cash equivalents ⁽¹⁾	(307)	(236)
NET FINANCIAL DEBT	1 241	1 459

Note : (1) Including treasury liabilities

Debt maturity⁽¹⁾



Leverage

<i>In €m</i>	LTM	
	Dec -23	Jun -24
EBITDA NON IFRS	222	234
Minorities	(8)	(11)
Associates	24	24
M&A - Acquisitions pro forma impacts	1	3
M&A - Disposals pro forma impacts	-	-
Adjusted EBITDA	239	250

<i>In €m</i>	Dec -23	Jun -24
Reported net financial debt	(1 241)	(1 459)
Minorities	0	2
Associates	(9)	(17)
Refinancing fees	(11)	(10)
Financial instruments	7	10
Adjusted net financial debt	(1 253)	(1 474)
Leverage ratio	5.2x	5.9x

Change in equity

<i>In €m</i>	Dec-23	Perimeter	Capital increase	Reclassification	Dividends	HY 2024 Net profit	Other	juin-24
Share capital	1 988	0	39	0	0	0	0	2 027
Retained earnings	(1 447)	(1)	0	67	0	(16)	0	(1 397)
Reserves	553	0	0	(67)	0	0	4	490
Other	(6)	0	0	0	0	0	7	1
Shareholders equity	1 087	(0)	39	(0)	0	(16)	11	1 120
Non-controlling interests	36	0	0	0	(0)	1	0	36
EQUITY	1 123	0	39	(0)	(0)	(16)	11	1 157

Restated Revenue/EBITDA by Business Unit

<i>In €m</i>	Half year			Half year
	2023	FOT transfer Adjustment	2023 restated	2024
Water services - France	692	(41)	651	703
Industrial water solutions	210		210	254
Water services - International	106	41	148	164
Revenue	1 009	0	1 009	1 121

<i>In €m</i>	Half year				Half year
	2023	IFRS 8 Adjustment	FOT transfer Adjustment	2023 restated	2024
Water services - France	62	(2)	(5)	55	56
Industrial water solutions	32	(3)		29	33
Water services - International	11	(2)	5	14	20
Corporate	(7)	7		0	0
EBITDA	98	0	0	98	109
%	9.7%			9.7%	9.8%

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

www.saur.com

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