



Press Release  
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## Saur reports sustained growth and resilient performance in 2023

**Revenues: €2,092m, up +8.1%**

**Organic growth: +8.1%**

**EBITDA\*: €222m**

**Free cash flow: €(76)m**

**Operating result\*: €(9)m**

**Leverage: 5.2x**

**Outlook 2024:**

- Revenue growth: Double digits
- EBITDA margin improvement
- Committed to deleveraging

**Paris, April 3<sup>rd</sup>, 2024** - Saur Group reported FY 2023 revenues of €2,092 million, up +8.1% year-on-year reported and organic.

**Patrick Blethon, Chief Executive Officer of Saur said:**

*"In 2023, Saur reached a new milestone with a revenue exceeding €2 billion. Amidst continued challenges, Saur remained steadfast in its commitment to innovation and efficiency, navigating disruptions with resilience. Scaling of the Industry segment, growth in municipal activities in France and price indexation fueled a sustained revenue growth of +8.1%."*

*"Through organic growth and targeted investments, the performance of our Industrial Water segment was remarkable, showcasing the strength of our diversified business model. This segment delivered a two-fold increase in EBITDA and a notable margin increase of +3.7 percentage points."*

*"Looking ahead, we are energized and optimistic about the upcoming opportunities. Our strategic roadmap, #missionwater, serves as our guiding compass towards becoming the champion of the water transition by 2030."*

The aggregates marked with an \* are non-IFRS, detailed definition is presented in the appendix to this press release.

## KEY FIGURES

<i>(in millions of euros)</i>	2022	2023	Change
<b>Revenues</b>	<b>1 935</b>	<b>2 092</b>	<b>+8.1%</b>
<b>EBITDA*</b>	<b>253</b>	<b>222</b>	<b>-12.3%</b>
<i>as a % of revenues</i>	<i>13.1%</i>	<i>10.6%</i>	<i>(2.5)pts</i>
<b>Operating result*</b>	<b>16</b>	<b>(9)</b>	<b>n.a.</b>
<i>as a % of revenues</i>	<i>0.8%</i>	<i>-0.4%</i>	<i>(1.3)pts</i>
<b>Net result</b>	<b>23</b>	<b>(55)</b>	<b>n.a.</b>
<i>as a % of revenues</i>	<i>1.2%</i>	<i>-2.6%</i>	<i>(3.8)pts</i>
<b>Free cash flow</b>	<b>119</b>	<b>(76)</b>	<b>n.a.</b>
<i>as a % of revenues</i>	<i>6.1%</i>	<i>-3.7%</i>	<i>n.a.</i>
<b>Net Debt</b>	<b>(1 002)</b>	<b>(1 241)</b>	
<i>Leverage</i>	<i>3.7x</i>	<i>5.2x</i>	

**Saur reported revenues of €2,092 million in 2023, up +8.1% in organic growth.** The tariff indexation and the strong commercial momentum in French municipal activities and in Industrial water solutions fueled sustained growth despite economic headwinds. Acquisitions had a net positive impact on growth, mainly due to the successful integration of Aqua-Chem and Mobile Water Services as well as the acquisitions of Suez Industrial Water Ltd in the UK and Cirtec in 2023.

**2023 was a year of significant commercial success.** Water France Services achieved €57 million of new wins, ending the year with a positive commercial balance. Water Services International recorded €19 million new wins in Iberia and Industrial Water Solutions closed the year with a record high €543 million order intake.

**EBITDA came in at €222 million.** EBITDA margin was temporary impacted in France by inflationary pressures which will be offset by price indexation mechanism with a time lag. The group benefitted from its diversification towards Industrial water segment, which doubled its profitability in 2023 on the grounds of its topline growth and successful protection against inflation.

**Operating result was €(9) million in 2023.** Exceptional costs were cut in half compared to 2023.

**Financial expenses were €(38) million in 2023,** including the impacts of the Group's new €300 million Sustainability Linked bond issued in 2023 and the mark-to-market of the Virtual PPA in Iberia for €(9)m.

**Net result was €(55) million in 2023.**

**Free cash flow was negative by €(76) million,** impacted by a negative change in working capital.

The Executive Chairman has decided to not recommend to the General assembly the payment of a dividend for the year ended December 31<sup>st</sup>, 2023.

### Saur

Head Office: 11, chemin de Bretagne - 92130 Issy-les-Moulineaux - [www.saur.com](http://www.saur.com) Saur - French simplified joint-stock company (SAS) capitalized at €101,529,000 - R.C.S. 339 379 984 Nanterre

## BUSINESS UNITS

	Revenues			EBITDA		
(In millions of euros)	2022	2023	Change	2022 <sup>(1)</sup>	2023 <sup>(1)</sup>	Change
<b>Water services - France</b>	<b>1 324</b>	<b>1 428</b>	<b>+7.9%</b>	<b>188</b>	<b>128</b>	<b>(31.8)%</b>
as a % of revenues				14.2%	9.0%	(5.2) pts
<b>Water services - International</b>	<b>302</b>	<b>219</b>	<b>(27.5)%</b>	<b>33</b>	<b>31</b>	<b>(7.0)%</b>
as a % of revenues				11.0%	14.1%	+3.1 pts
<b>Industrial water solutions</b>	<b>309</b>	<b>445</b>	<b>+44.1%</b>	<b>32</b>	<b>63</b>	<b>+95.7%</b>
as a % of revenues				10.5%	14.2%	+3.7 pts
<b>Corporate</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>(0)</b>	<b>(0)</b>	<b>n.a.</b>
<b>Total</b>	<b>1 935</b>	<b>2 092</b>	<b>+8.1%</b>	<b>253</b>	<b>222</b>	<b>(12.3)%</b>
as a % of revenues				13.1%	10.6%	(2.5) pts

**Note:** (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.

### Water Services – France

Water services France revenue increased by +7.9% to €1,428 million in 2023. Growth dynamic was positive, underpinned by tariff indexation, which allowed the pass-through of 2022 inflation, and strong commercial momentum on both municipal activity and works. This growth was however slightly offset by unfavorable weather effect this summer on volumes leading to an annual decrease of (2.5)%.

EBITDA\* came in at €128 million in 2023. Results were impacted by a surge in inflation mainly on electricity, despite tariff indexation and mitigation action plans notably productivity improvement. Moreover, unfavorable weather conditions negatively impacted volumes this summer.

### Water services - International

Water services - International delivered revenues of €219 million in 2023. Despite positive price effect, the decline compared to last year reflects the return of Gdansk in Poland and Setubal in Portugal to municipal services as well as the disposal of Colombian activities.

EBITDA\* came in at €31 million in 2023. Successful economic rebalance negotiation with Las Palmas municipality offset the impact of the scope of activities changes.

### Industrial water solutions

Industrial water services posted a growth of +44% in 2023, of which +€17.4% organic, reaching €445 million revenues in 2023. This success was fueled by a broader service offering, notably the scaling of the rental business, and strategic acquisitions, which bolstered our market presence and geographical footprint, capitalizing on surging demand for water management outsourcing and higher regulatory constraints.

EBITDA doubled in 2023 to reach €63 million accompanied by notable margin increase of +3.7pts. Organic performance through strong commercial momentum, successful pricing strategy and significant growth of the recurring activities were the pillars of this robust profitability. This demonstrates the resilience of the business in an adverse environment.

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## BALANCE SHEET

Net debt is €1,241 million, up +€239 million compared to December 31, 2022.

At December 31<sup>st</sup>, 2023, the Group had cash and cash equivalents of €307 million (including €40m NEU CP) and total liquidity of €507 million following the issuance of a €300 million sustainability linked bond in April 2023.

Group leverage reached a peak at 5.2x as of December 31, 2023, temporary impacted by the conjunctural surge of inflation.

## ESG (1)

In 2023, Saur has begun to adapt its ESG Roadmap 2021-2025 to ensure all group entities involvement in ESG stakes issues. It has been given a more international, industry-focused dimension. Commitments regarding emerging subjects like adaptation to climate change, water quality and protection of human rights have been formally introduced. Strengthening this roadmap is a step in the right direction towards becoming the champion of hydric transition.

Moreover, Saur's SBTi targets have been validated in September 2023. By 2030, Saur commits to reduce its absolute GHG emissions scope 1 and 2 by 42% from a 2021 base year, following a 1,5°C trajectory aligned with the Paris Agreement. It also commits to reducing its scope 3 indirect emissions by 25% particularly those generated by its value chain.

The 2 Sustainability Performance Targets associated to its bonds (water preservation and carbon emissions intensity reduction) comments:

- A great deal of work was carried out all along 2023 to make Saur's water withdrawals per subscriber KPI more reliable. Saur is improving its completeness and accuracy of measurement. Thus it could result in changes in observed performance
- The Group is in line with its target of reducing its Scope 1 and 2 emissions to 24 tCO<sub>2</sub>eq/€m by 2025 (3-year rolling average). At the end of 2023, carbon emissions have fallen significantly compared to 2020, from 144.3 to 75,01 tCO<sub>2</sub>eq/M€\*.

*(1) 2023 Unaudited figures. Data may be adjusted afterwards.*

## OUTLOOK

FY2024 outlook:

- Revenue growth: Double digits
- EBITDA margin improvement
- Committed to deleveraging

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## CONFERENCE CALL

Patrick Blethon, Chief Executive Officer and Alice Schmauch, Chief Financial Officer, will present this press release during a conference call in English to be held today at 11.00 p.m. Paris time (CET). The press release will be posted on the Saur investor website.

## DISCLAIMER

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This presentation contains forward-looking statements which are based on current plans and forecasts of Saur's management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors that could cause actual results to differ in a variety of substantial and very material respects from the plans, objectives and expectations expressed in such forward-looking statements.

No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed therein.

These such forward-looking statements speak only as of the date on which they are made, and Saur undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise (and has no notification obligations to any person in this regard). It should not be regarded by recipients as a substitute for the exercise of their own judgment. Neither Saur, nor any of its directors, officers, employees, affiliates, direct or indirect shareholders, advisors or agents accepts any liability for any direct, indirect, consequential or other loss or damage suffered by any person as a result of relying on all or any part of this announcement and any and all liability is expressly disclaimed.

## 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, 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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## **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 press release.

#### **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)

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## FINANCIAL STATEMENTS

### Income statement

In €m	Full year			
	IFRS		NON IFRS	
	2022	2023	2022	2023
<b>Revenue</b>	<b>1 935</b>	<b>2 092</b>	<b>1 935</b>	<b>2 092</b>
Direct Costs	(1 488)	(1 672)	(1 488)	(1 670)
<b>Margin on Direct Costs</b>	<b>447</b>	<b>420</b>	<b>447</b>	<b>422</b>
%	23.1%	20.1%	23.1%	20.2%
Operational Support	(187)	(211)	(187)	(211)
Functional & HQ Support	(174)	(203)	(174)	(203)
Profit sharing	(13)	(3)	(13)	(3)
Add-back (Depreciation, Provision, other)	181	217	181	217
<b>EBITDA</b>	<b>253</b>	<b>220</b>	<b>253</b>	<b>222</b>
%	13.1%	10.5%	13.1%	10.6%
Depreciation & Amortization	(176)	(215)	(176)	(215)
Other operating income and expenses	(69)	(25)	(69)	(25)
Share of Group companies	8	9	8	9
<b>Operating result</b>	<b>16</b>	<b>(11)</b>	<b>16</b>	<b>(9)</b>
%	0.8%	-0.5%	0.8%	-0.4%
Financial result	(11)	(38)	(11)	(40)
Income tax	(5)	(5)	(5)	(5)
Discontinued activities	22	0	22	0
<b>Net result</b>	<b>23</b>	<b>(55)</b>	<b>23</b>	<b>(55)</b>

### Balance sheet

			Equity and Liabilities		Dec-22	Dec-23
In €m						
Assets	Dec-22	Dec-23				
<b>Intangible and tangible assets</b>	<b>1 317</b>	<b>1 434</b>	Shareholders equity		1 146	1 087
Net goodwill	1 538	1 549	Minority interests		40	36
Investment in equity affiliates	137	135	<b>EQUITY</b>		<b>1 185</b>	<b>1 123</b>
Other non-current financial assets	31	31	Non-current provision		165	165
Non-current financial instruments asset	2	1	Financial Debt (Non-Current)		1 046	1 344
Deferred tax asset	5	5	Other non-current liability		97	148
<b>NON-CURRENT ASSETS</b>	<b>3 031</b>	<b>3 155</b>	Non-current financial instruments liability		0	9
Inventory	46	64	Deferred tax liability		65	59
Accounts receivables	1 405	1 475	<b>NON-CURRENT LIABILITIES</b>		<b>1 374</b>	<b>1 725</b>
Other current assets	139	170	Current provision		17	10
Cash and Cash Equivalent	279	324	Financial Debt (Current)		200	197
<b>CURRENT ASSETS</b>	<b>1 870</b>	<b>2 032</b>	Accounts payable		506	438
Assets held for sale	0	0	Customer advance payments		525	586
<b>TOTAL ASSETS</b>	<b>4 901</b>	<b>5 187</b>	Payables to collectivities		641	676
			Other current liabilities		416	416
			Treasury liabilities		37	17
			<b>CURRENT LIABILITIES</b>		<b>2 341</b>	<b>2 339</b>
			Liabilities held for sale		0	0
			<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4 901</b>	<b>5 187</b>

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## Cash flow statement

In €m	Full Year	
	2022	2023
<b>EBITDA IFRS</b>	<b>253</b>	<b>220</b>
Realized gain/(loss) on VPPA	0	2
<b>EBITDA NON IFRS</b>	<b>253</b>	<b>222</b>
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)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>260</b>	<b>94</b>
Net capital expenditures	(175)	(213)
Net cash from (used in) investing in financial assets	(347)	(23)
Perimeter change	(13)	1
<b>CASH FLOWS FROM INVESTING</b>	<b>(535)</b>	<b>(234)</b>
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
Shareholder loan	0	0
Bond issued in the period	0	300
Other changes in financial debt	(76)	(72)
<b>CASH FLOWS FROM FINANCING</b>	<b>262</b>	<b>205</b>
<b>Cash and Cash equivalents - BoP</b>	<b>214</b>	<b>242</b>
Cash flow for the period	(13)	65
Cash flow from discontinued activities	45	0
Impact of changes in exchange rates and other	(4)	1

## Free cash flow

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

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## 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
<b>Financial debts</b>	<b>1 243</b>	<b>1 548</b>
<b>Cash and Cash equivalents <sup>(1)</sup></b>	<b>(242)</b>	<b>(307)</b>
<b>NET FINANCIAL DEBT</b>	<b>1 002</b>	<b>1 241</b>

(1) Including treasury liabilities

## Leverage ratio

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

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

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**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)
<b>EBITDA</b>	<b>253</b>	<b>0</b>	<b>253</b>	<b>222</b>
%	13.1%		13.1%	10.6%

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