



Issy-les-Moulineaux, 9 November 2017

Saur launches its new Initiative 2022 strategic ambition Target: Annual revenue of €2 billion by 2022

With Initiative 2022, Saur is reasserting its commitment to expansion by setting a target to boost its annual revenue by €700 million between now and 2022. Now refocused on the Group's water core businesses, this new corporate plan is supported by new investment capacity and a differentiation strategy built around innovation, local presence and digital prowess.

Major investment capacity and a new identity as a pure player.

Saur has delivered on all its performance and profitability commitments since 2013. The Group has progressively reduced its level of debt, largely as a result of significant productivity plans:

- **Annual revenue stable at around €1.3 billion (forecast for 2017*¹)**, despite reduced volume and low inflation in France
- Substantial improvement in profitability, with **EBITDA expected to rise by 36% between 2013 and 2017**, and forecast to end 2017*¹ at €131 million
- High potential for adaptability, with ambitious productivity plans and a target to achieve savings of **around €70 million over 5 years**
- A significantly lower level of debt with a matching reduction in the **Net Debt to EBITDA ratio (forecast to be approximately 5x in 2017*¹, compared with 7x in 2014)**

This healthy financial situation has allowed Saur to retain the proceeds of sale from its 2017 disposal of Coved. **Now a water industry pure player, Saur currently has €250 million available for investment in its water-related businesses.**

An ambitious growth target: Annual revenue of €2 billion by 2022

With this level of financial stability and new room for manoeuvre, Saur is now able to adopt a new and dynamic approach to growth. This growth is expected to come from three areas: international markets primarily, the French market to a lesser degree, and the development of new services.

**1 Pro Forma data post-Coved disposal - current IFRS figures*



Three levers are in play to drive ongoing **improvements in operational and financial performance:**

- **New performance and productivity gains** as a result of digitisation, operating process optimisation (resource management, leak detection, remote and predictive maintenance, etc.) and more accurate financial management systems.
- A **reinvention of the customer relationship** based on local presence and self-care: systems upgrading (multichannel, proactive and bespoke communication) and new consumer services.
- A new, **simpler and stronger organisational structure** in order to focus on the management and development of a single business sector: water.

A target to triple the level of revenue generated in Saur's key growth market of Saudi Arabia by 2022.

Having operated in this country since 2007 through contracts in Mecca, Ta'if and Jeddah, Saur now works alongside its partner Marafiq on a series of operation and maintenance contracts in Jubail, Yanbu and Ras El Khair.

The Vision 2030 development programme launched by the Saudi authorities will open up new opportunities for the Group. Marafiq and Saur therefore intend to bid jointly for contracts to provide water management services to the regional clusters recently introduced (28 million residents served).

Water: a particularly fast-growing market

At the global level, the potential market is enormous, and continues to grow very dynamically in the private sector, with total annual revenue for 2022 forecast to be double that of 2015 at €140 billion*¹.

Although the French market is more mature, Saur delivered the strongest growth in market share of any private French water industry stakeholder between 2008 and 2016*².

- 21% share of the wastewater treatment market (up 5 points)
- 20% share of the drinking water market (up 5 points)

*¹ Source: Robecosam: Water, the market of the future

*² Sources: BIPE according to SISPEA /Selectra – FP2E 2015, 2012, 2010



A differentiation strategy based on innovation, local presence and data

Saur has taken the decision to **build its growth around innovation and local presence**. By focusing all its expertise and R&D resources on water industry innovation, Saur is able to deliver responses tailored to the specific needs of each customer. Saur is currently experimenting with full digitalisation of the drinking water supply systems operated by the Vienne Briance Gorre water company in the Haute-Vienne region of France. Its pioneering introduction of Saur Operations Control Centres (OCCs) in 2007 underlines just how advanced Saur is in delivering the water systems of tomorrow.

An ecosystem of water industry startups is now being brought together. ImaGeau, the specialist in active management of underground water resources acquired in October 2017, is the first member of this ecosystem.

In addition to ensuring optimum efficiency in water supply and wastewater treatment services management, Saur also wants to offer its customers a **new OCC-based solution** by developing management apps for local authorities and services for individual customers. **The goal here is to provide all the data gathered from the network** in response to the desire expressed by local councillors and their water services teams for joint management.

Saur wants to tailor its services to meet the needs of local authorities by offering an **'à la carte' menu of options and moving away from the All-Inclusive** concept that no longer meets the express requirement of local councillors and industrial users to manage their own water services.

INITIATIVE 2022

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About Saur: As a longstanding environmental services leader, SAUR serves local authorities and industrial companies in the successful implementation of development projects in water supply and treatment, environmental services (engineering, infrastructure services). Saur worldwide presence Saudi Arabia, Scotland, Spain, Poland. 2016 key figures (excluding waste management): €1.25 billion Group net revenue, 7,000 local authorities contracted, 9,000 employees and 13 million consumers in France and worldwide

□ **Saur**

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Saur - French simplified joint-stock company (SAS) capitalised at €101,529,000 - 339 379 984 R.C.S. Nanterre - Intracommunity VAT no.: FR 28 339 379 984