



THESSALONIKI WATER SUPPLY & SEWERAGE Co S.A.

Analysts' Presentation June 2014



1. Vision	3	
2. Target	4	
3. Strategy	5	
4. Global Statistics	6	
5. The Company today	13	
6. Financial Results & Share	26	
7. Growth Strategy	61	
8. Business Plan	66	



The management has adopted modern technology to control all applications for even better water quality as well as improvement of sewerage treatment.



With respect to the environment and the water resources the management's main target is the protection of the Thermaikos bay.





Constant improvement of the provided services



Secure provision of excellent quality drinking water



Efficient environmental protection



Improvement of the company financials





The Company Strategy focuses upon the fulfillment of its obligations as a Public Utility Company

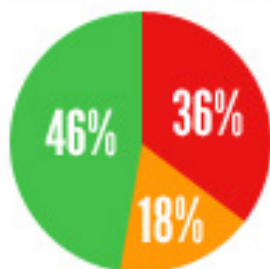


Global Statistics - 2013





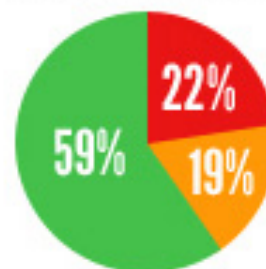
**% of Population By
Water Stress Level**



Water Stress Level

- < 20%
- 20% - 40%
- > 40%

**% of GDP By
Water Stress Level**



Today, 2.5 billion people, almost 40% of the world's grain production and almost one quarter of the global economy are presently at risk because of non-sustainable water use.

<http://growingblue.com/the-growing-blue-tool/>

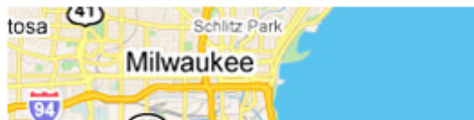
Financial Implications - 2013



Producing just one pair of jeans requires more than 2,900 gallons of water.



Every **\$1** spent on infrastructure improvements in the U.S. generates **\$6** in returns.



Milwaukee views water as a competitive advantage.



Today 22% of GDP is produced in water-scarce areas. At this rate by 2050 45% will be, greatly challenging those regions' ability to grow.

<http://growingblue.com/the-growing-blue-tool/>

Environmental Implications - 2013



44%

In the United States, **44% of U.S. rivers** are too polluted for swimming, fishing and drinking.



Water knows no boundaries, so governance structures matter.



Today **86% of rivers in the U.S.** have altered flow patterns, affecting what species can live there.



U.S. cities have violated the Clean Water Act more than half a million times in the last 5 years.

<http://growingblue.com/the-growing-blue-tool/>



More than 90% of the people who die as a result of water-related diseases are children under the age of five.

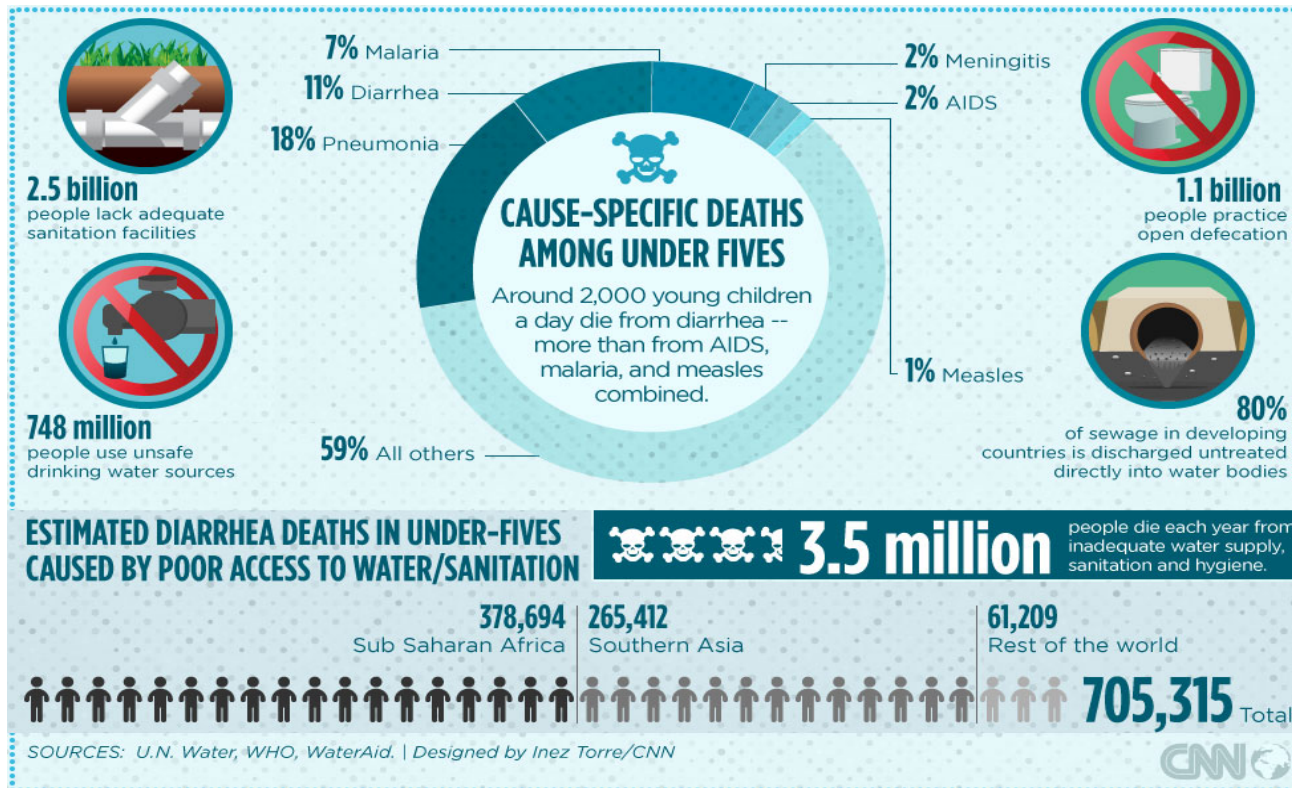


Today 36% of the global population lives in water-scarce regions. If we do nothing, by 2050 this will increase to 50%.



An average of 1,000 m³ of water is needed to produce the 2,800 daily calories required for a nourished diet.

<http://growingblue.com/the-growing-blue-tool/>



Greece in Rank - 2013



Water withdrawal
for municipal
purposes

1.27 Billions m³ / day

World Rank: 44

Annual quantity of water withdrawn used primarily for the direct use of the population, computed as the total water withdrawn by the public distribution network.



Water withdrawal
for industrial
purposes

0.25 Billions m³ / day

World Rank: 70

Annual quantity withdrawn for industrial uses. This sector refers to self-supplied industries not connected to the public distribution network.



Water withdrawal
for agricultural
purposes

6.25 Billions m³ / day

World Rank: 44

Annual quantity of water withdrawn for irrigation purposes and for livestock watering.



Net virtual-water
import

5.38 Billions m³ / day

World Rank: 18

Virtual-water (also known as embedded water, embodied water, or hidden water) refers, in the context of trade, to the water used in the production of a good or service



Non-revenue
water (2008)

25 %

World Rank: 114

Water that is 'lost' before it reaches the customer. Losses can be real (through leaks, a.k.a. physical losses) or apparent (e.g. theft or metering inaccuracies).



Water Footprint
per capita

2,389.31 m³ / cap / year

World Rank: 2

Water needed for the production of goods and services (g/s) consumed by the population. Calculated by multiplying all consumed g/s with their respective virtual water content.

<http://growingblue.com/the-growing-blue-tool/> - Greece

EYATh today





Rationalization of financial accounts



Removal of significant amount of sludge



Maintenance works increase with costs decrease



Ensuring profitability and liquidity



Partial replacement and leaks limitation



Bills payment through the internet and favorable terms of claims payment



Participation in leading research activities



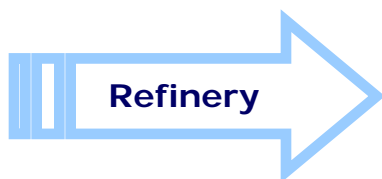
Series of actions with an informative and social profile



Extension of activities in cooperation with the municipalities



Business Plan for the modernization of infrastructure





The reuse of the treated liquid waste in cultivation close to the Treatment Plant



The reinforcement of the production plant and exploitation of biogas from the sludge, which is already in the Sindos plant as well as the exploitation of its heating power.



Finally, the company Business Plan includes the infrastructure modernization as well as the technological advancement and the extension of operations in the Northern Greece and the Balkan area.

Refinery





EYATh S.A.



In progress is the Investment Plan 2008-2013 of total value € 87.9 mil.



Design and Implementation of the new Investment Plan 2014-2018



Expansion of the customer base



Exploitation of renewable resources for energy production

**Sindos Biological
Treatment Plant**





Main axis for strategy planning remains the sustainability in growth as well as the choices for humanity



Combination of business operations and social responsibility



Provision of high level water and sewerage services with the minimum possible cost



Protection of the water sources and provision of excellent water quality



Protection of the environment



Zero pollution of the Thermaikos Gulf





Design and implementation of the following:



Upgrade of the Sewerage Treatment Plant in cooperation with the Greek Development Bank as a management body of the Sindos Industrial Area



Electronic monitoring of the Water and Sewerage Network for the precise estimation of operation and maintenance



Gradual replacement of water meters in order to ensure precise recording of the water consumption



Based on the target to widen up the company operations, the ability to explore the sewerage network with the installation of optical fibers is examined, for the provision of electronic services





Two important projects were announced.



These projects concern the 'Construction of the 2nd Branch of the Main Sewerage Pipe of Thessaloniki' budget of €44 mil. and the 'Construction of Extension of Water treatment Plant Phase 2' budget of €36.5 mil.



In the same direction, constructed and delivered were projects of the biological treatment such as dried sludge and other projects total cost of €17.5 mil.

**Sindos Biological
Treatment Plant**





Operation & Maintenance :



Receiving the majority of the urban waste



Removal of 45,000 tonnes for the production of organic fertilizers



Progressive increase in demand for calcified material











Remaining quantity amounts to 188,000 tonnes



The product of the plant will be provided to agricultural land (budget of €3.7 mil.)





Capacity :			2012
	Capacity of Organic Load (design):	296,000 m ³	296.000 m ³
	Population Served (design):	1,333,000	1.333.000
	Service Data for 2012:		
	Average daily Service:	184,700 m ³	173.700 m ³
	Amounts of wastes (m ³ /daily): a. Urban wastes	183,000	172.600
	b. Industrial wastes	-	
	c. Sewerage wastes	1,100	1.100
	Annual production of dewatered sludge	58,350 tonnes	56.160 τόνοι
	Annual production of dried sludge	9,350 tonnes	7.850 τόνοι
	Volume of treated waste for 2012 (m ³):	67,150,000	63.405.000



Outcome of the management policies :



Annual Audit and composition of budgets with budget plan and accounts cross checking of the company figures



Arrangement of liabilities between EYATH SA and EYATH Fixed Assets for the previous years



Collection of bills from Municipalities and Governmental Bodies of €15 mil.



Improvement of infrastructure and facilities



Management of the biological treatment product and removal of dewatered sludge for immediate use in agriculture.





Planned construction of the 2nd Branch of the Central Sewerage Treatment Plant of Thessaloniki (€44 mil.)



Planned construction of the Water Treatment Plant Extension in Thessaloniki (€36.5 mil.)



Preparation of relevant study for investigation of possible ways for exploitation of sludge in conjunction with the product of the heating plant already in operation.





Water

- **250,000 m³** average daily water production
- **510,000** customers-consumers
- **2,340 th.** pipe network length
- **120 sqm.** service area

Sewerage

- **175,000 m³** average daily sewerage treatment
- **1,700 th.** total network length
- **510,000** customers-consumers
- **637 sqm.** service area

Refinery





EYATH fixed Assets

**Raw water conveyance system:
112 Facilities**



4 Pumping stations



45 Storage Tanks

**Water Treatment
Quality Control**



Pipes Network

EYATH S.A.

- In July '01, E.Y.A.Th. Fixed Assets signed a 30 years exclusive agreement with E.Y.A.Th. S.A.
- E.Y.A.Th. SA purchases unprocessed water from E.Y.A.Th. FA securing customer needs

EYATH S.A. focuses upon:

- **Maintenance,**
- **Service,**
- **Renovation,**
- **Leaks Decrease and**
- **Existing Network improvement**

Financial Results & Share





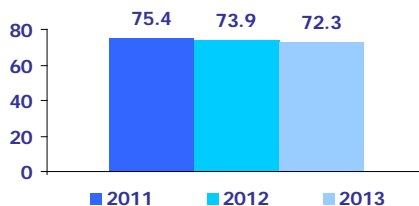
- Company turnover reached €72.3 mil. in 2013 compared to €73.9 mil. in 2012 a decrease of 2.10%
- Cost of sales reached the amount of €46.5 mil. in 2013 compared to €43.3 mil. in 2012 an increase of 7.38%
- Gross profit reached €25.8 mil. in 2013 compared to €30.6 mil. in 2012 a decrease of 15.5%
- Earnings before taxes reached €17.7 mil. in 2013 compared to €21.4 mil. in 2012 a decrease of 17.3%.
- Earnings after taxes reached €13.1 mil. in 2013 from €17.7 mil. in 2012 a decrease of 26.2%.
- EBITDA reached €21.5 mil. in 2013 compared to €24.3 mil. in 2012 a decrease of 11.5%
- Cash and equivalent reached €53.6 mil. in 2013 compared to €33 mil. in 2012 an increase of 62.5%.



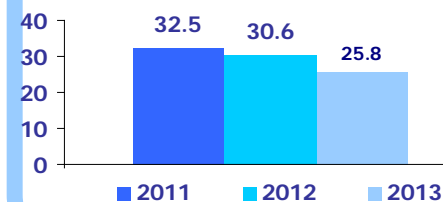
Summary on Financials (€ th.)

	2013	2012	Difference
Turnover	72.299	73.851	-2.10%
Cost of Water Sold	46.479	43.284	7.38%
Earnings Before Tax	17.696	21.397	-17.30%
Earnings After Tax	13.075	17.716	-26.20%
Gross Profit	25.821	30.566	-15.52%
EBITDA	21.523	24.316	-11.49%
Equity	143.363	136.194	5.26%
Cash and Equivalent	53.588	32.976	62.51%

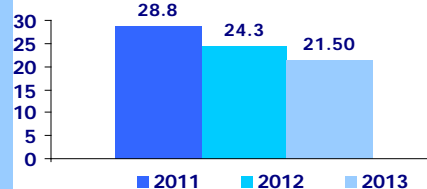
Turnover (€ mil)



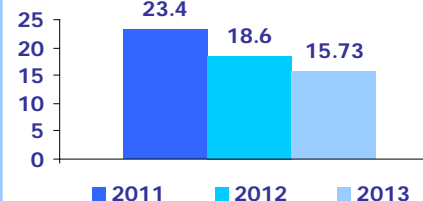
Gross Profit (€ mil)



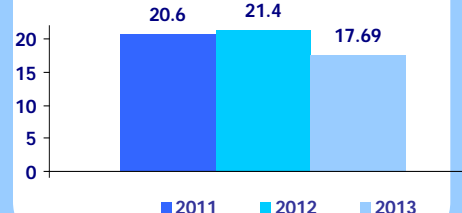
EBITDA (€ mil)



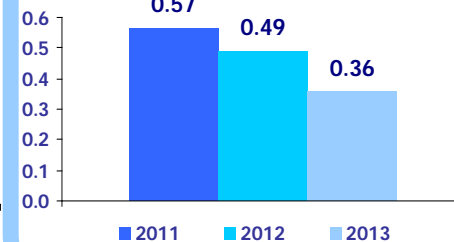
EBIT (€ mil)



Earnings After Tax (€ mil)



EPS (€)



→ Net Equity Position increase as well as Cash

2012 figures adjusted to revised IAS 19



(€ th.)	2013	2012
Assets		
Non Current Assets	88,324	91,501
Current Assets	103,296	99,818
Total Assets	191,620	191,319
Equity	143,363	136,194
Debt	48,257	56,125
Total Liabilities	191,620	191,319

2012 figures adjusted to revised IAS 19



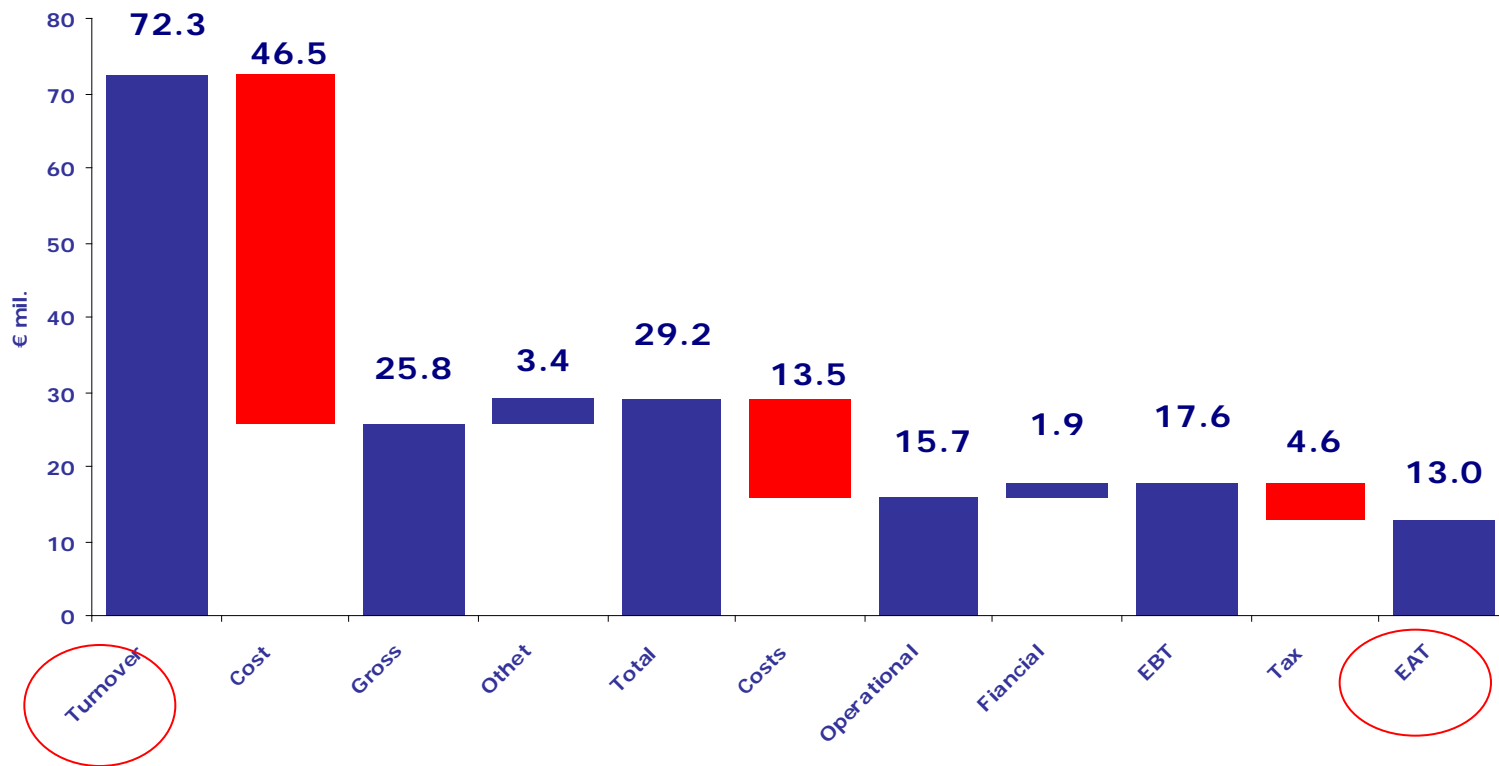
(€ th.)	2013	2012
Operating Activities	22,848	17,461
Investing Activities	3,686	- 435
Financing Activities	- 5,921	- 7.208
Cash - beginning	32,976	23,159
Cash - end	53,588	32,976
Cash - increase / decrease	20,612	9,818

2012 figures adjusted to revised IAS 19



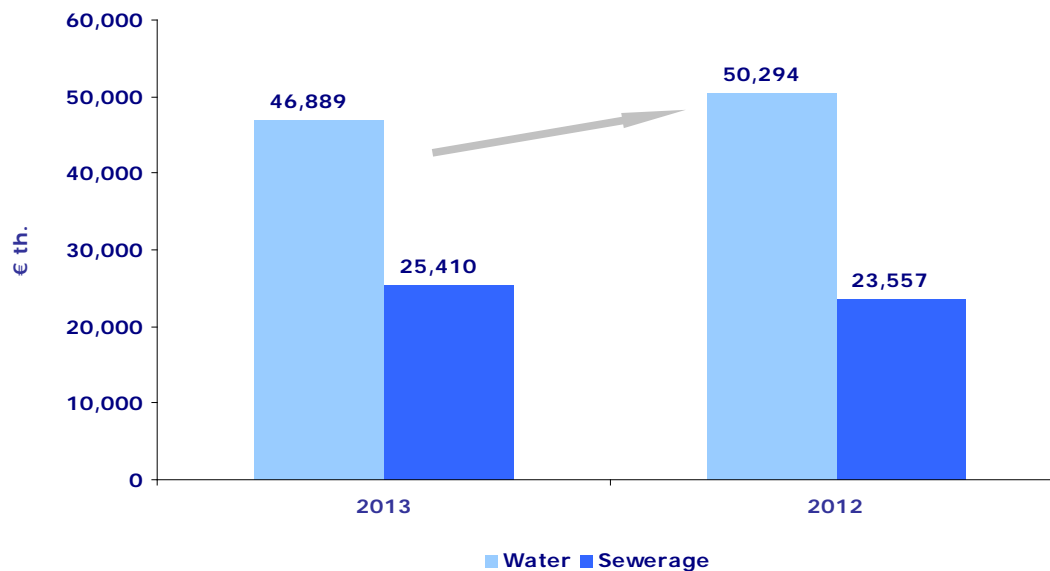
	2013	2012	2011	2010
Productivity Ratios				
Gross Profit Margin	35.71%	41.39%	43.14%	36.95%
EBIT	21.77%	25.14%	31.06%	26.71%
Capital Return Ratios				
ROE	12.34%	15.71%	20.86%	19.30%
ROA	9.24%	11.18%	14.33%	12.46%
Liquidity Ratios				
Liquidity	4.81%	3.39%	2.76%	2.18%
Capital Structure Ratio				
Equity / Debt	297.08%	247.06%	219.11%	182.32%
Investment Ratio				
EPS	0.36	0.49	0.57	0.34

2012 figures adjusted to revised IAS 19

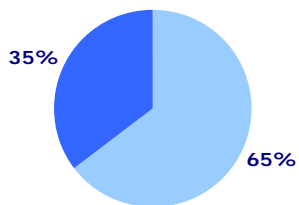




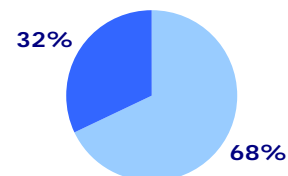
Turnover breakdown

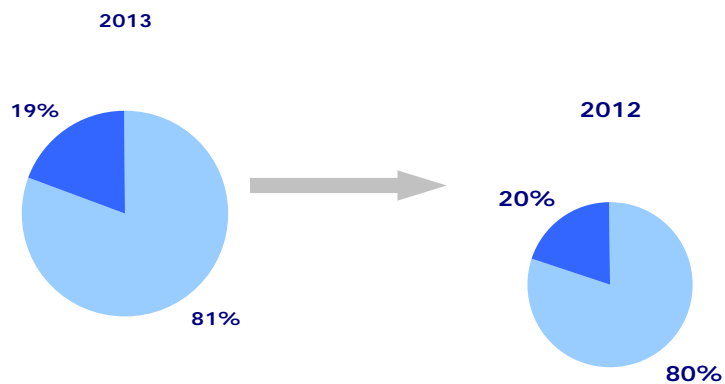
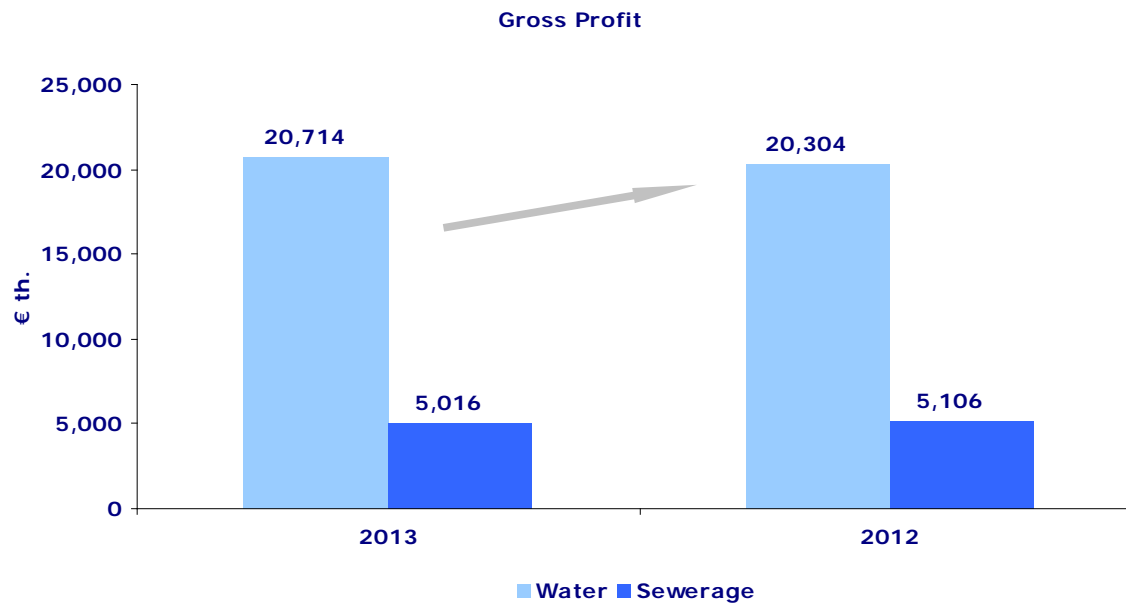


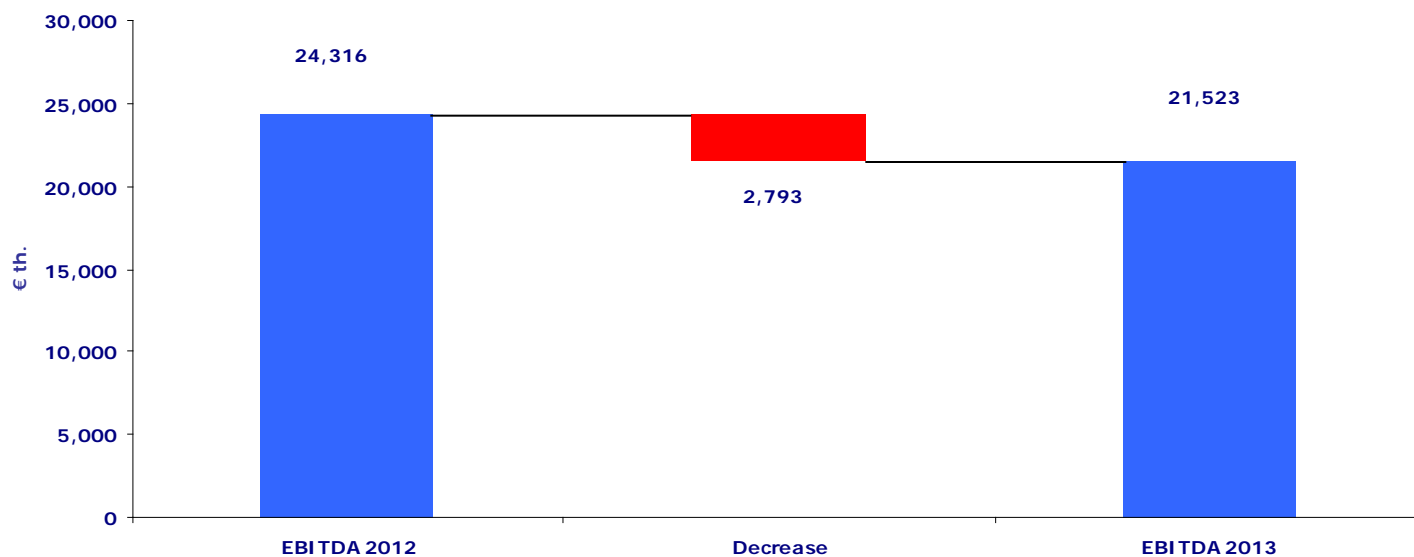
2013

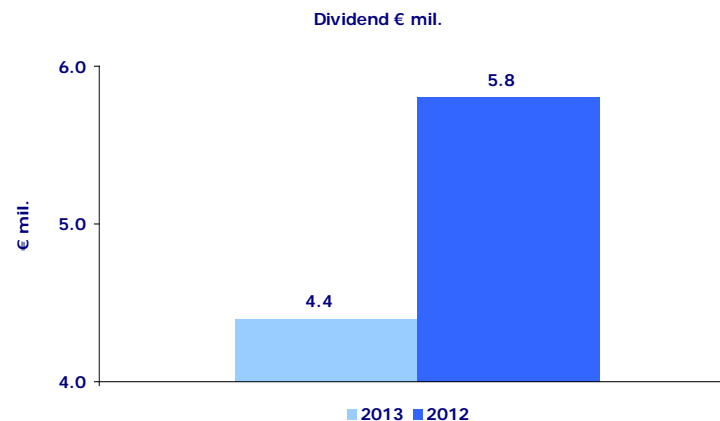
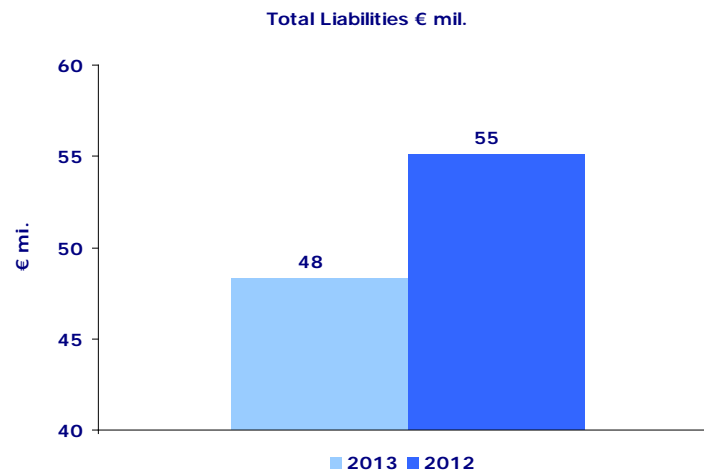
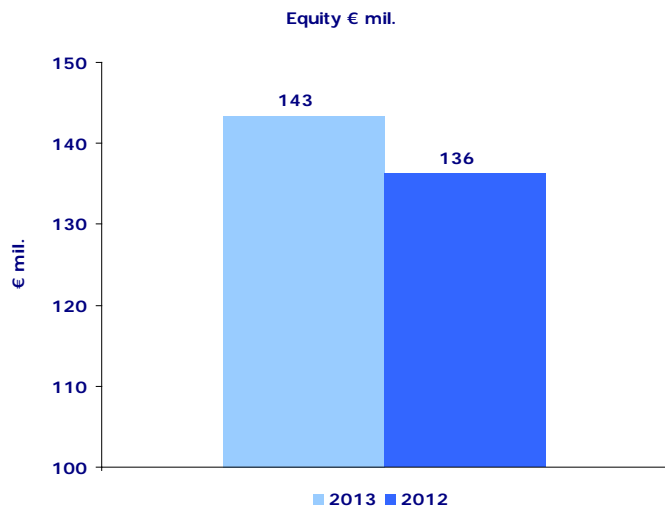


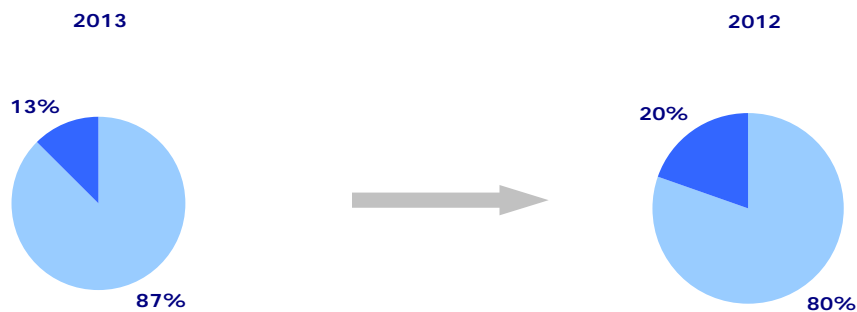
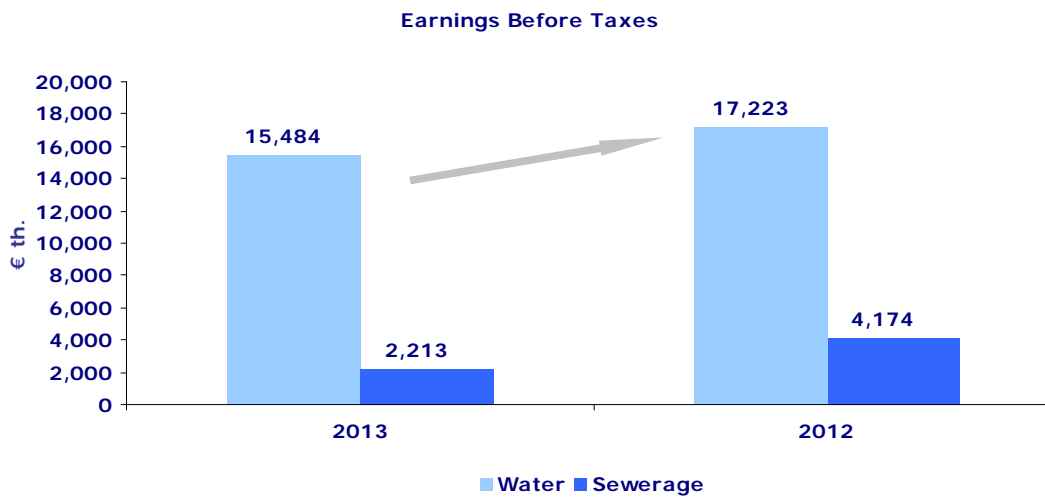
2012

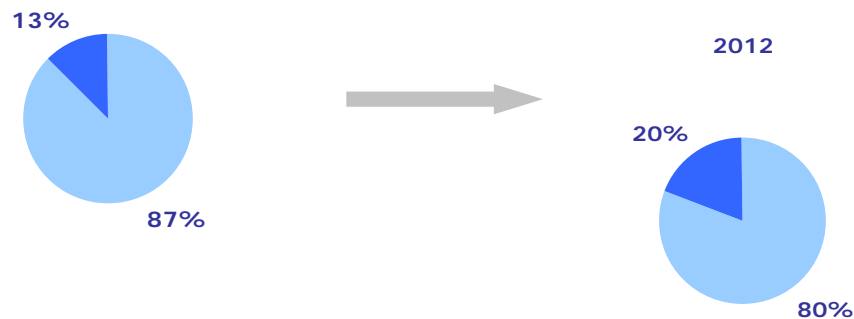
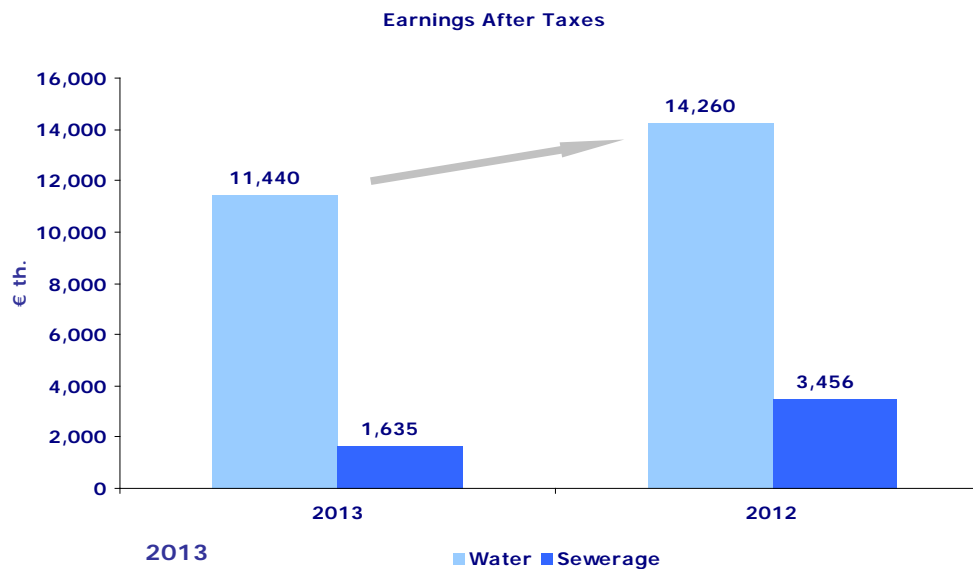


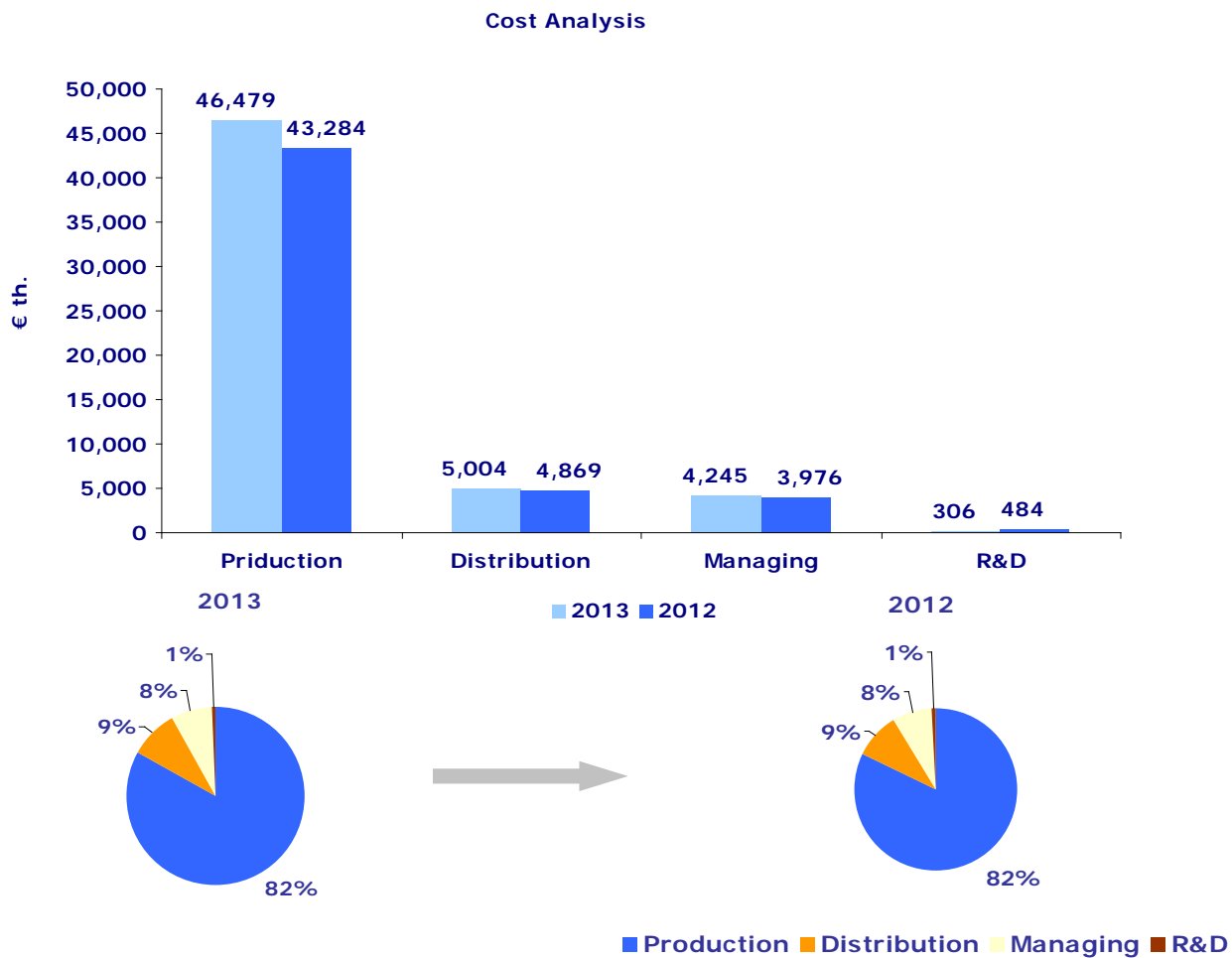


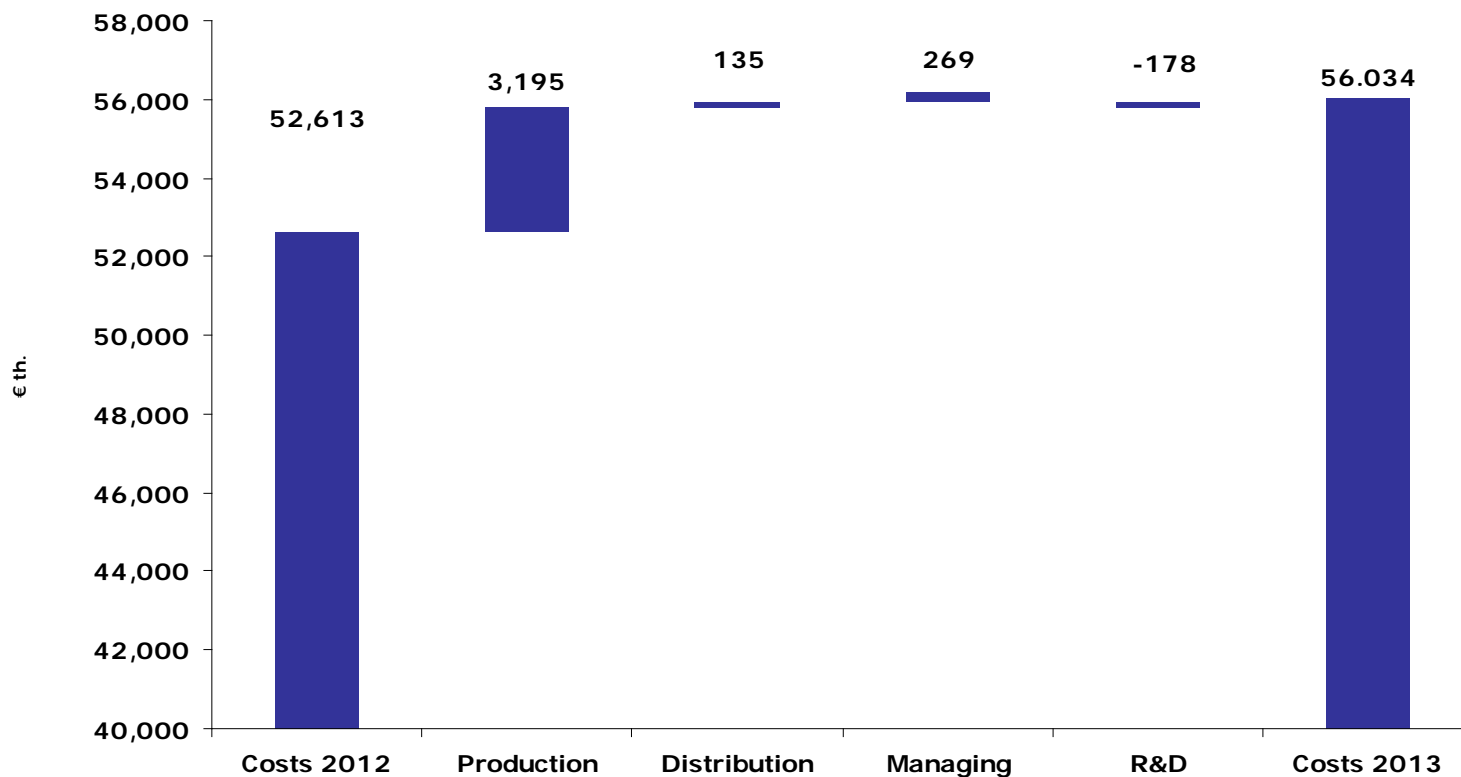








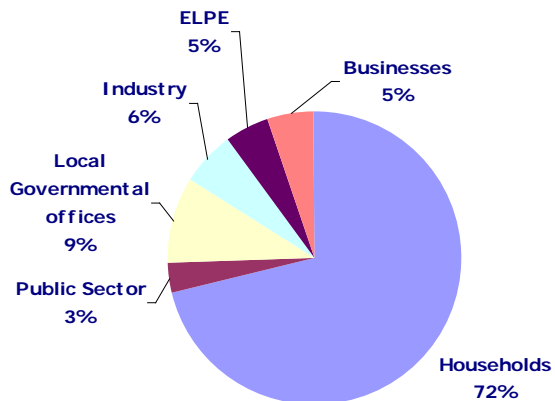




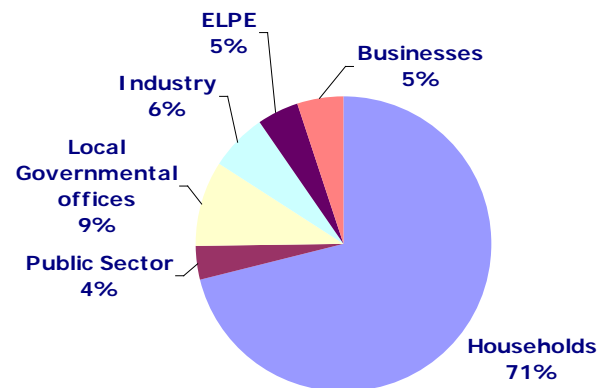
→ 6.5% costs increase in 2013 compared to 2012



Water Consumption Breakdown 2013



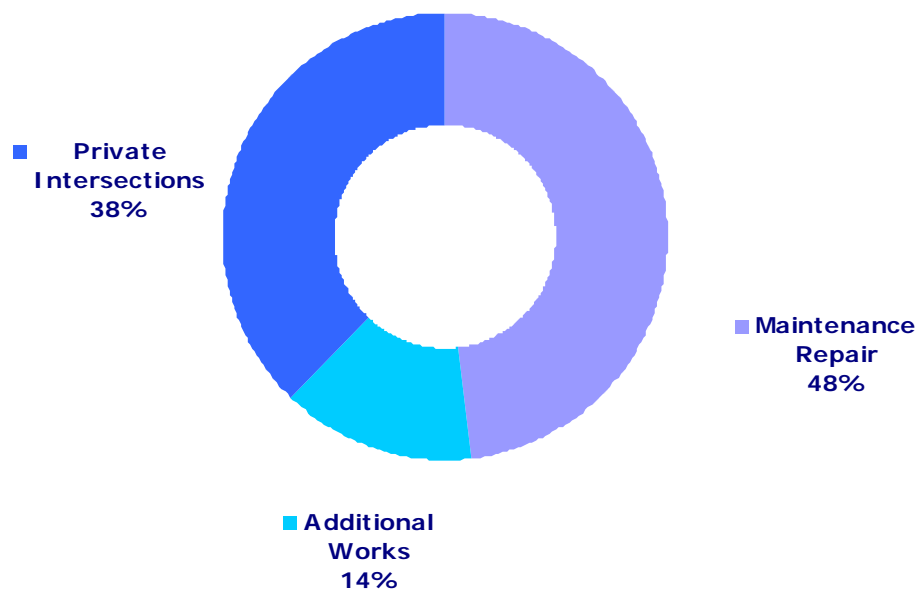
Water Consumption Breakdown 2012



sq.m. (mil.)	2013	2012	%
Households	38	40	-5.0%
Public Sector	1.8	2	-10.0%
Public Sub Sector	5.1	5.3	-3.8%
Industry	3.3	3.5	-5.7%
ELPE	2.5	2.7	-7.4%
Businesses	2.7	2.8	-3.6%
Total	53.4	56.3	-5.2%

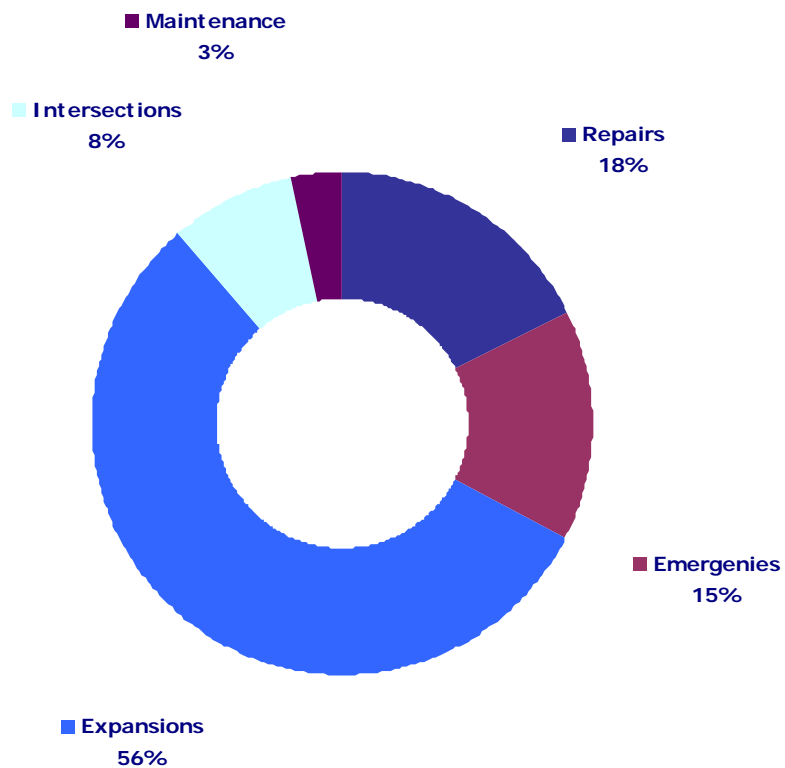


Works Completed in 2013



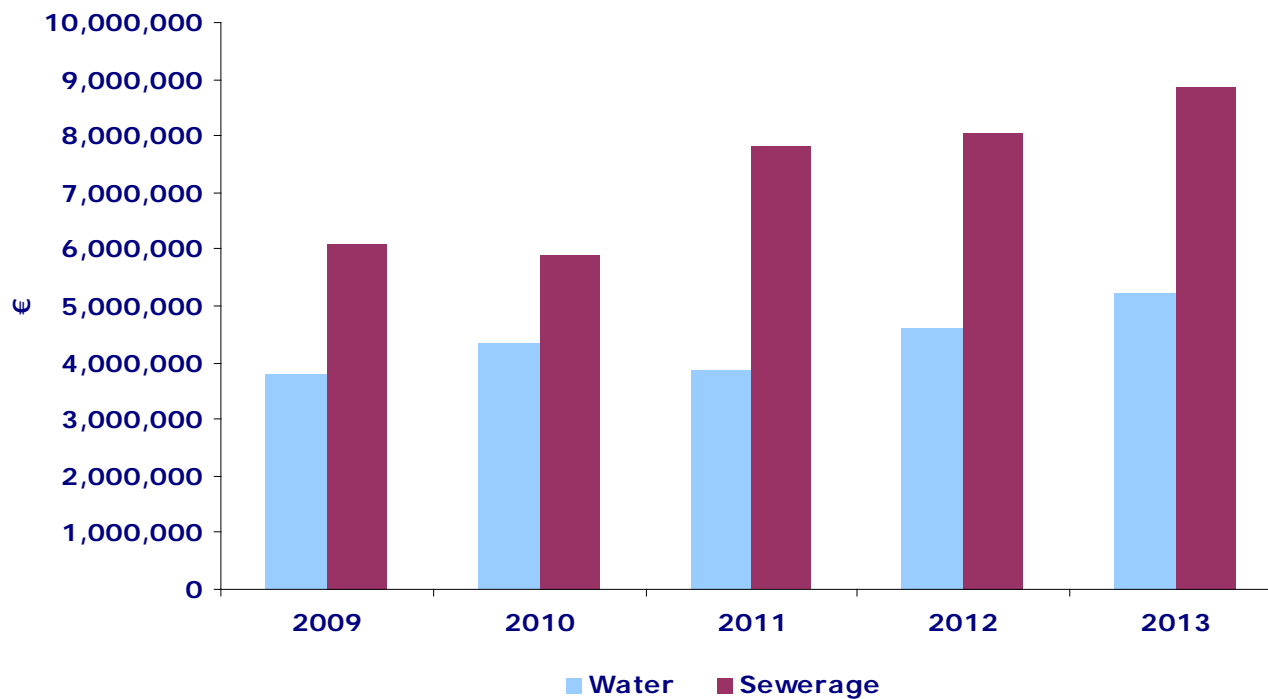


Works in the process 2013





Network Maintenance - 2013





Turnover reached €19.3 mil. in Q1 2014 compared to €18.3 mil. in Q1 2013 an increase of 4.5%.



Cost of goods sold reached €11.1 mil. in Q1 2014 compared to €10.4 mil. in Q1 2013 a decrease of 7%.



Gross profit reached €8.1 mil. in Q1 2014 compared to €7.9 mil. in Q1 2013 an increase of 2.2%.



Operating results reached €7.1 mil. in Q1 2014 compared to €7.2 mil. in Q1 2013 a decrease of 2%.



Earnings before taxes reached €7.6 mil. in Q1 2014 compared to €7.7 mil. in Q1 2013 a decrease of -1.3%.



Earnings after taxes reached €5.7 mil. in Q1 2014 compared to €6.5 mil. in Q1 2013 a decrease of 11.7%.



Earnings per share increased to €0.1576 in Q1 2014 compared to €0.1786 in Q1 2013.



Consolidated Financial Results (€ th.)

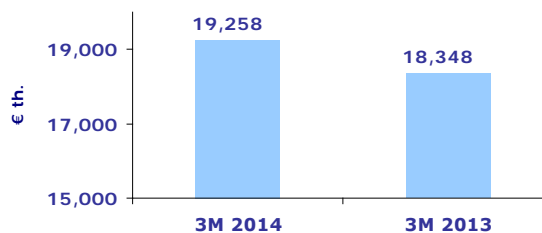
	3M 2014	3M 2013	Change
Turnover	19.258	18.438	4.45%
Cost of Goods Sold	11.119	10.384	7.08%
Gross Profit	8.139	7.964	2.20%
Earnings Before tax	7.645	7.743	-1.27%
Earnings After tax	5.721	6.483	-11.75%
EPS	0.1576	0.1786	-11.76%

- Turnover increase by 4.45%
- Gross Profit increase by 2.20%
- Positive cash flow

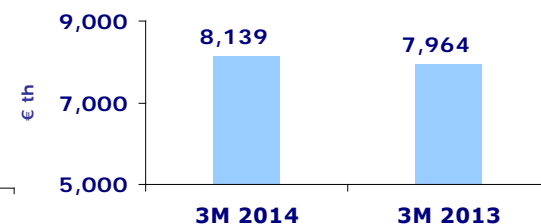
➤ Turnover increase can be explained after the increase of 1 mil. sqm water quantities of the middle tariff category consumption (31-120 sqm),

➤ Gross profit increased by 7% of the cost of sales due to the operating cost of the thermo dried unit.

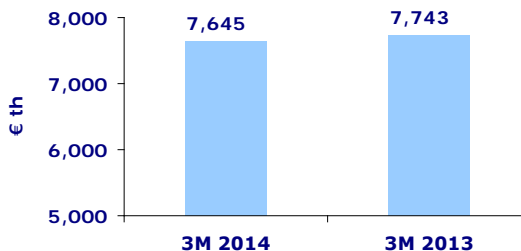
Turnover 3M



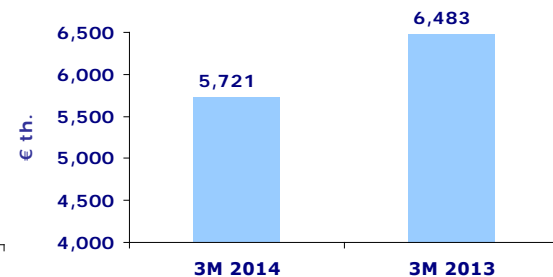
Gross Profit 3M



EAT 3M



EAT 3M



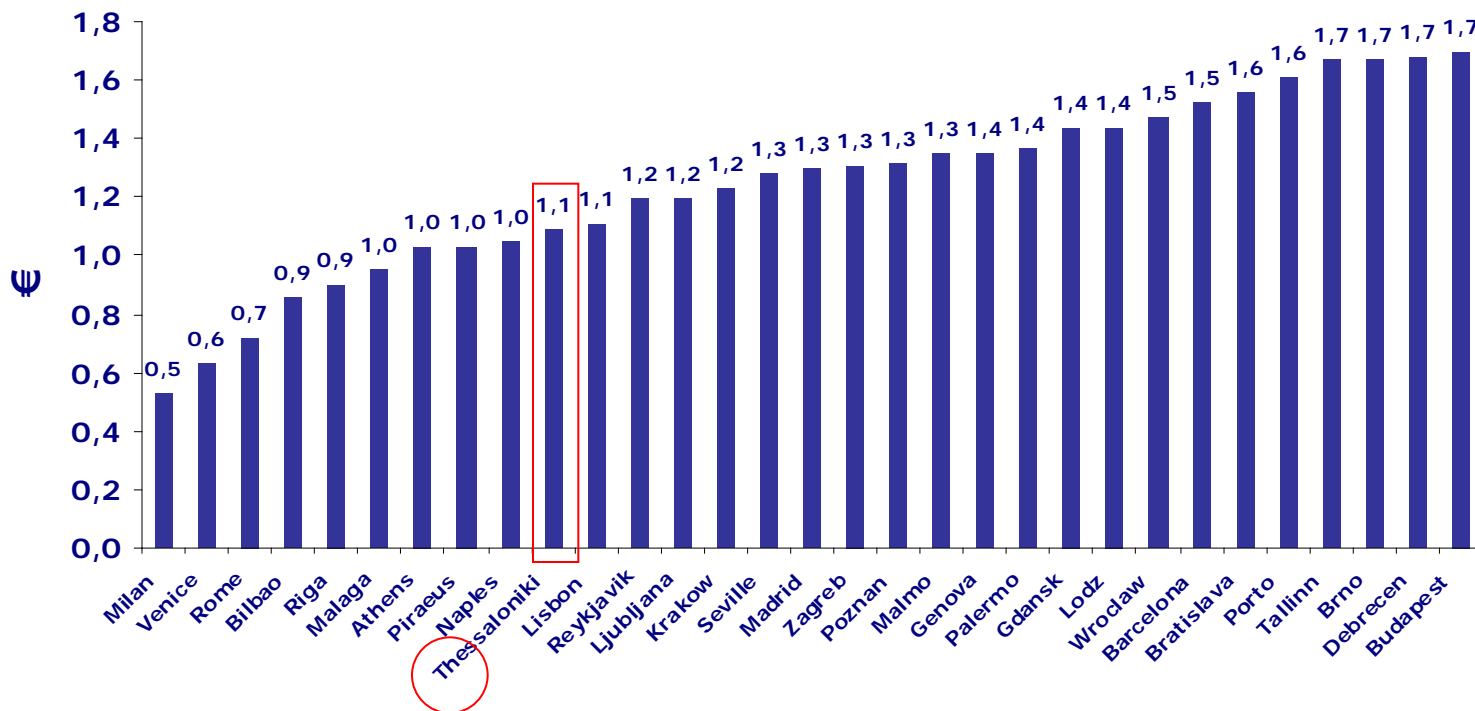


- Pricing policy for 2007-2011 in application since May 2007 concerning water consumers from 1/1/2007 with annual adjustment of costs for water and sewerage services
- 18/11/2008 – Water and sewerage pricing freeze for 2009 at the prices of 2008 for the first three scales of consumers and 20% decrease for 2009 for families with more than 3 children
- 30/6/2010 – Decision to keep the same household pricing until 31/8/10 and application of the 2010 pricing from 1/9/10
- 4/8/2011 – In application for the whole 2011 the prices as for 2010.
- 19/12/2012 – price levels kept as at 2012, special tax levied at €0,07/sq.m., consolidation of fixed fee in a single fee and from 2013 weighted average increase in water tariff and sewerage by 1%.

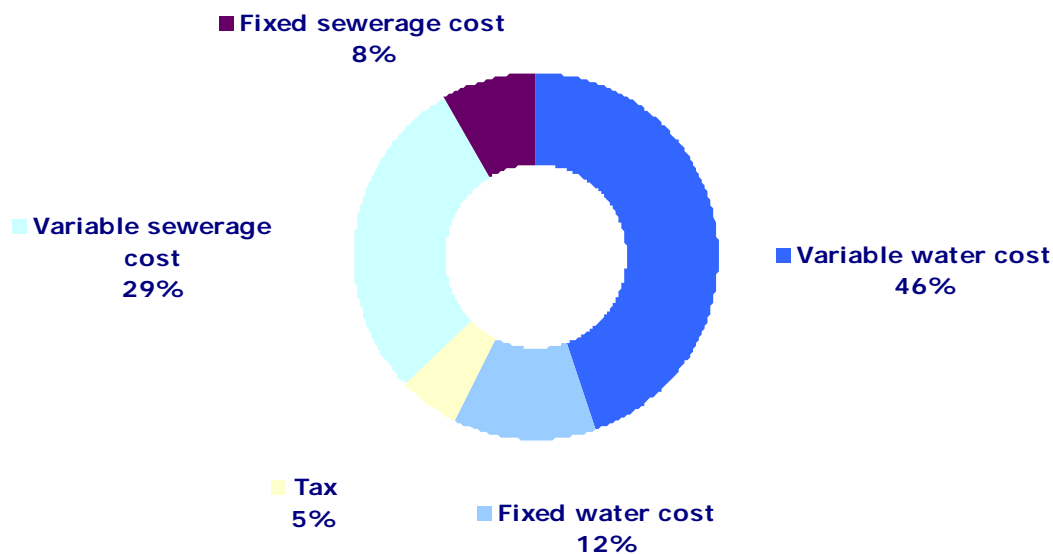
→ For 2014 water tariff to be kept on 2013 levels



Tariff Policy (€)



Source: AQUANOMICS 2011 (02/02/2012)

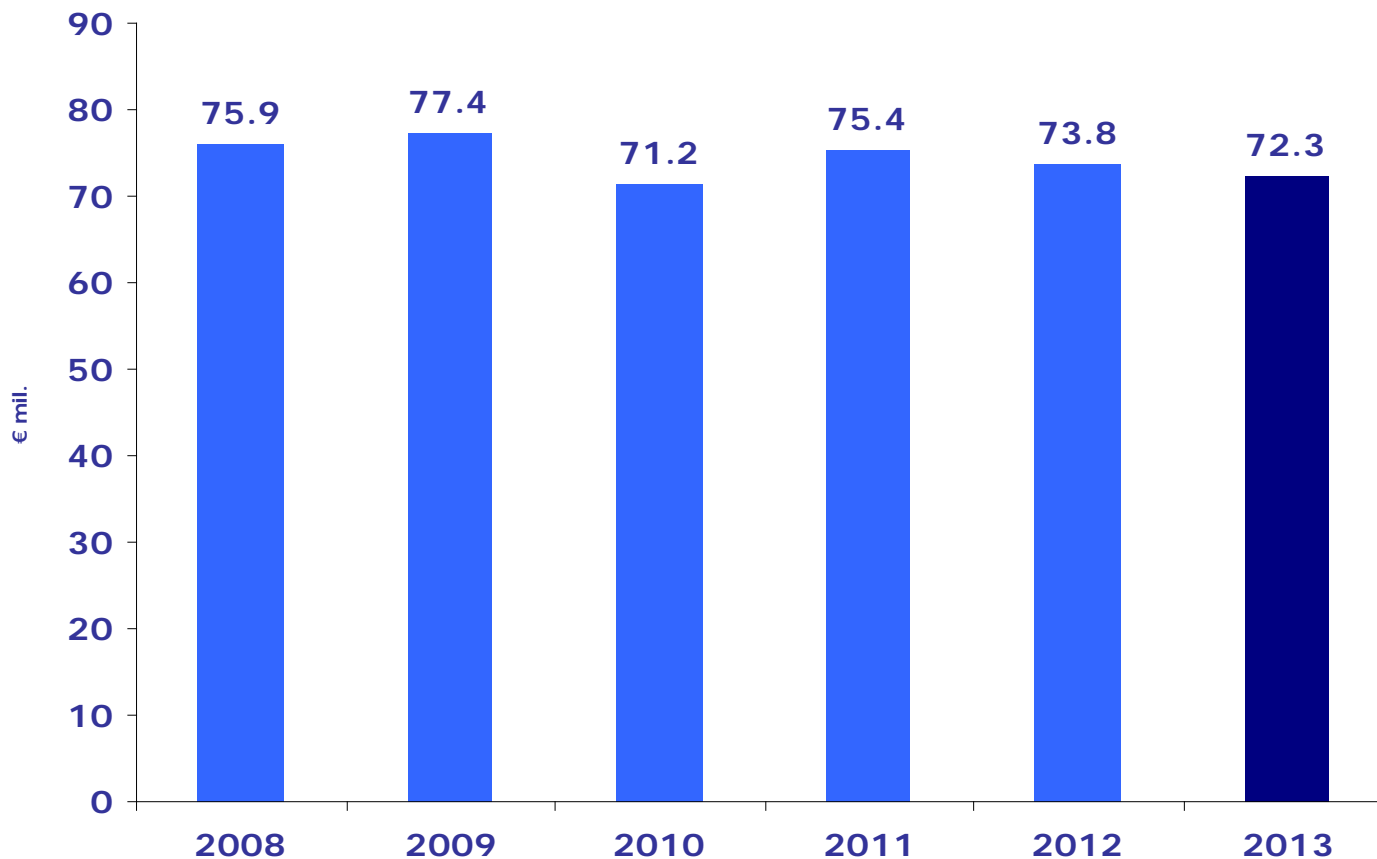


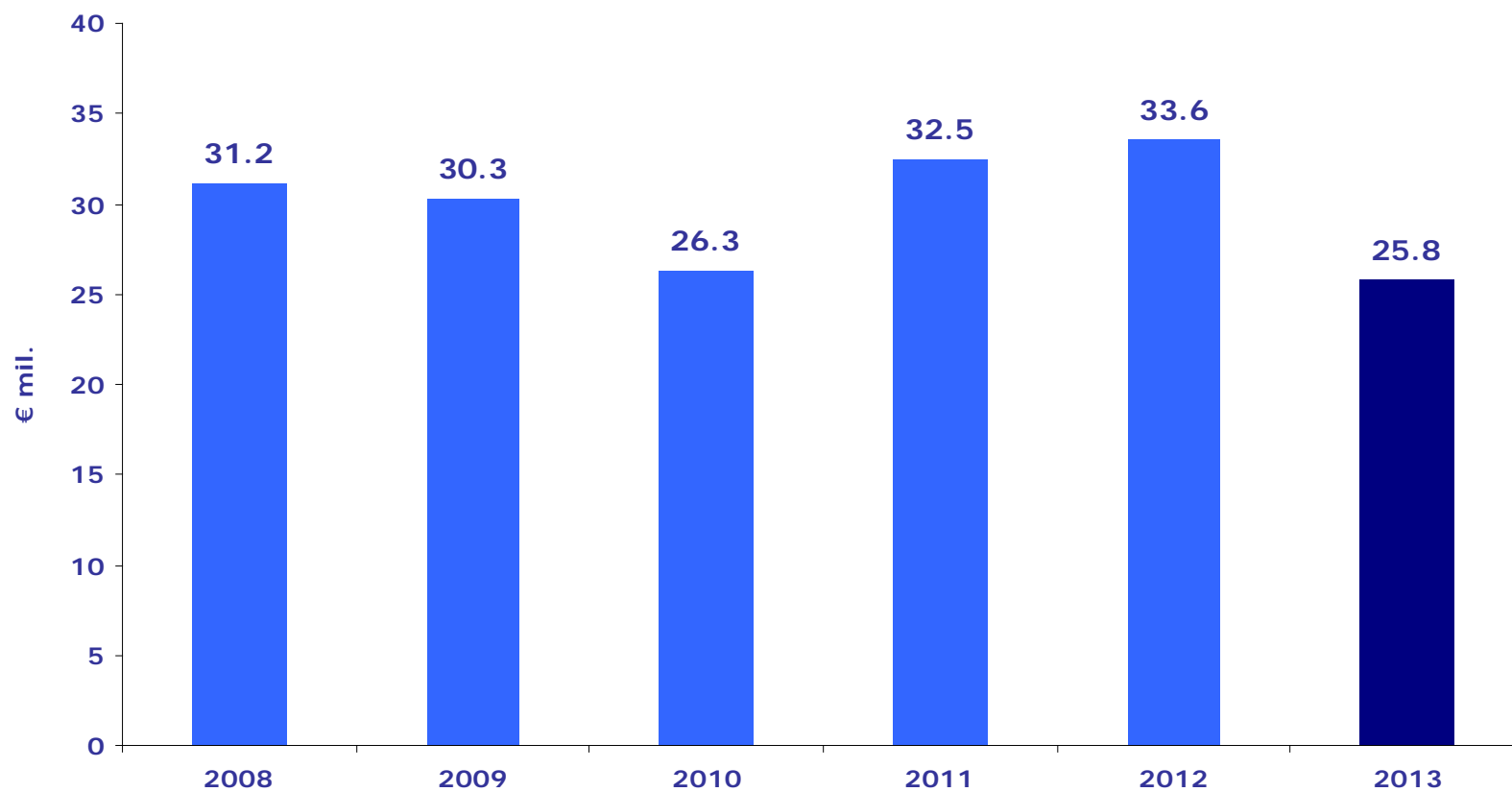
Global research shows that the sewerage costs counts for 37% for every €2, whereas the water cost counts for 58% with the remaining 5% to be taxation.

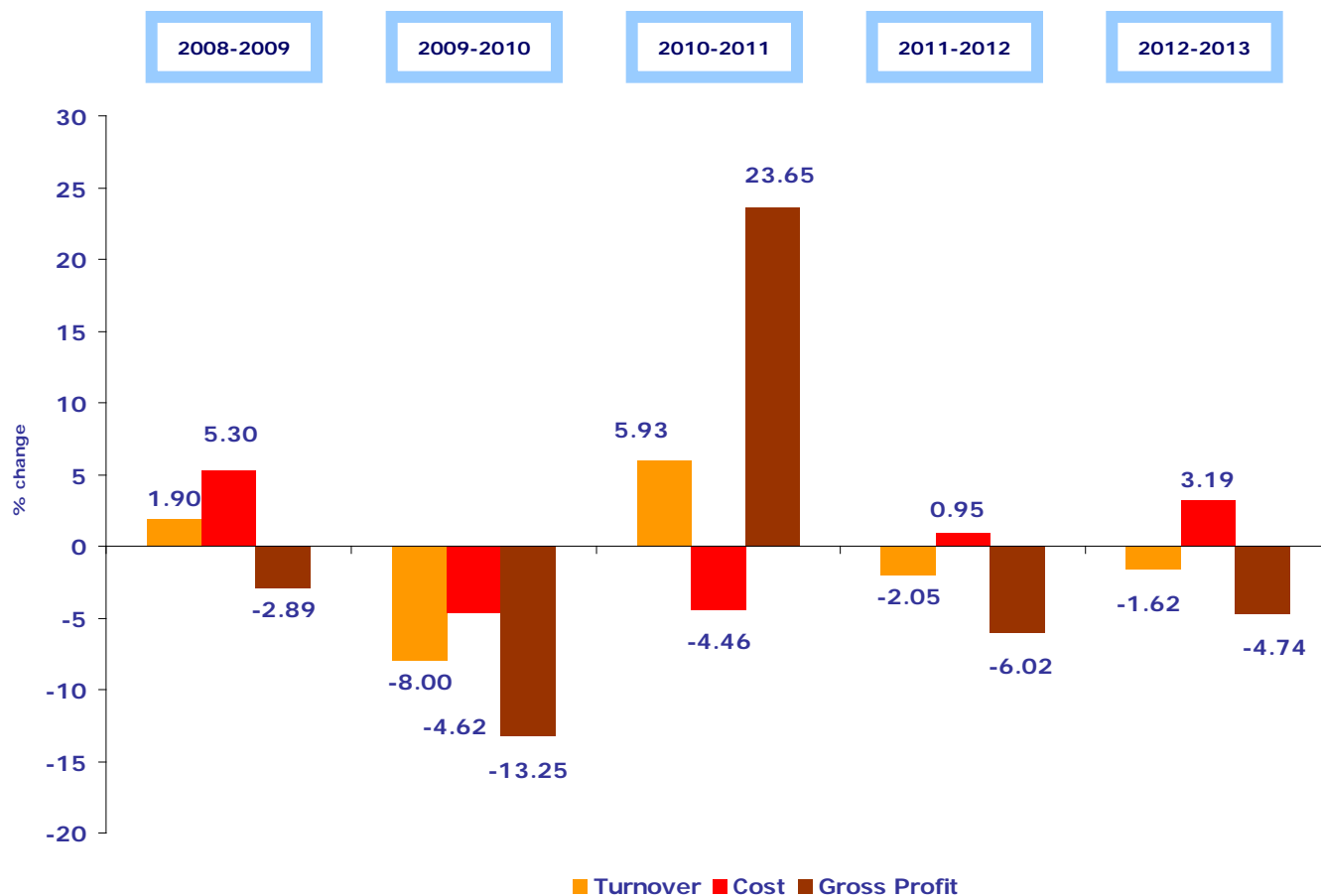
Source : www.globalwaterintel.com



Results	2009	2010	2011	2012	2013
Turnover	77,376	71,182	75,400	73,851	72,299
Costs	47,054	44,878	42,876	43,284	46,479
Gross Profit	30,322	26,304	32,524	30,566	25,821
Other Income	4,748	3,406	2,635	3,133	3,418
	35,070	29,710	35,159	33,699	29,238
Administrative Expenses	5,745	3,081	4,365	4,869	5,004
R&D Expenses	7,489	5,249	4,542	3,976	4,245
Distribution Expenses	314	541	446	484	306
Other Operational Expenses	962	1,826	2,389	5,803	3,947
Operational Profit	20,561	19,013	23,416	18,567	15,736
Financing Costs	1,533	1,865	2,592	2,831	1,960
EBIT	22,093	20,878	26,008	21,397	17,696
Investment Income	0	0	0	0	0
EBT	22,093	20,878	26,008	21,397	17,696
Taxation	7,703	8,475	5,413	3,681	4,621
Earnings After Tax	14,390	12,402	20,595	17,716	13,075



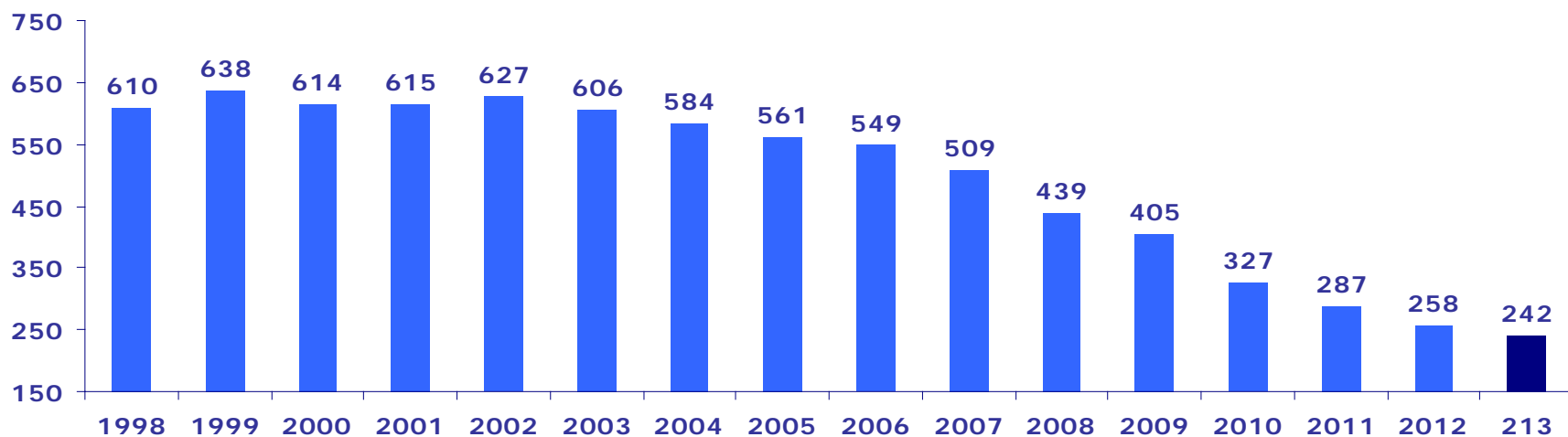




Visualization of the annual differences for the last 5 years



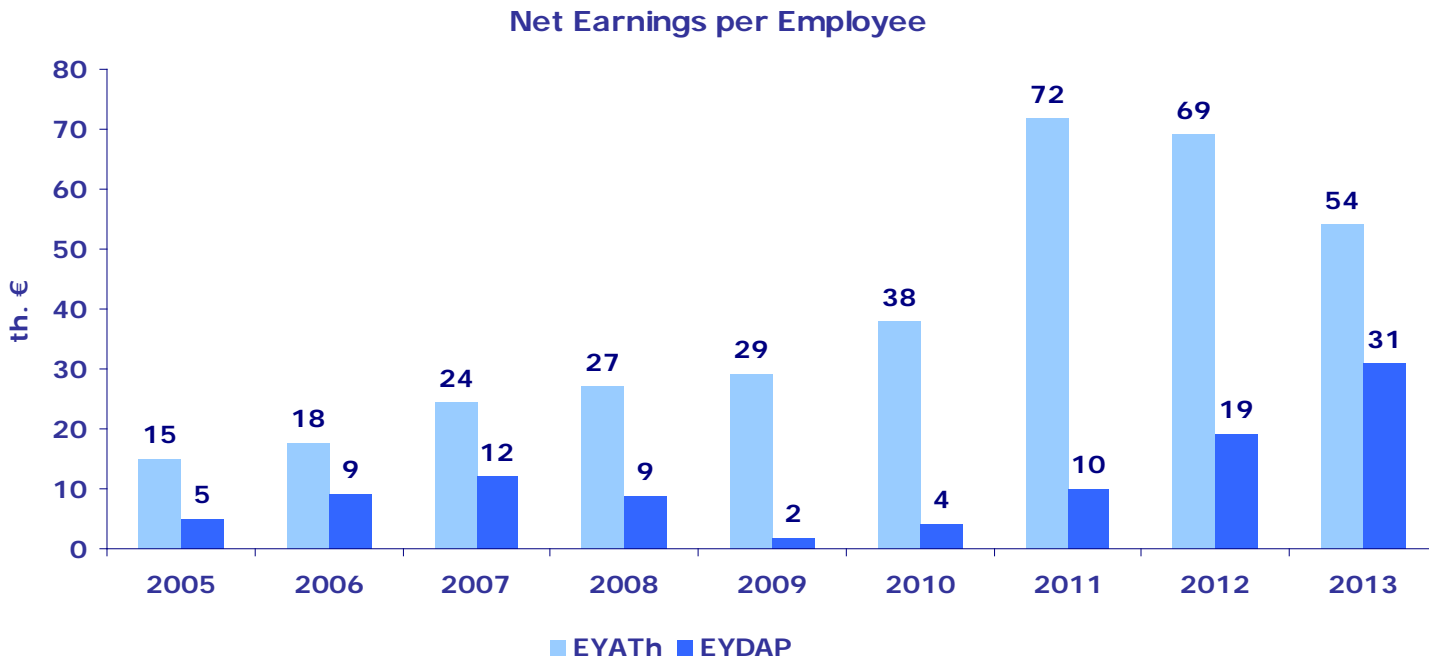
Personnel



→ 6.2% staff decrease in 2013 compared to 2012

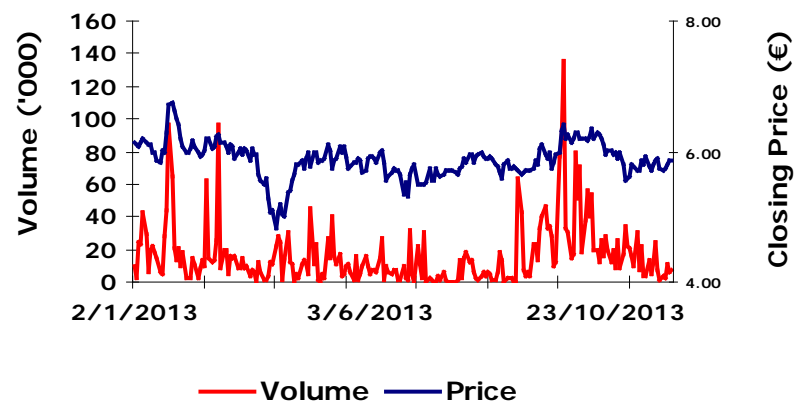
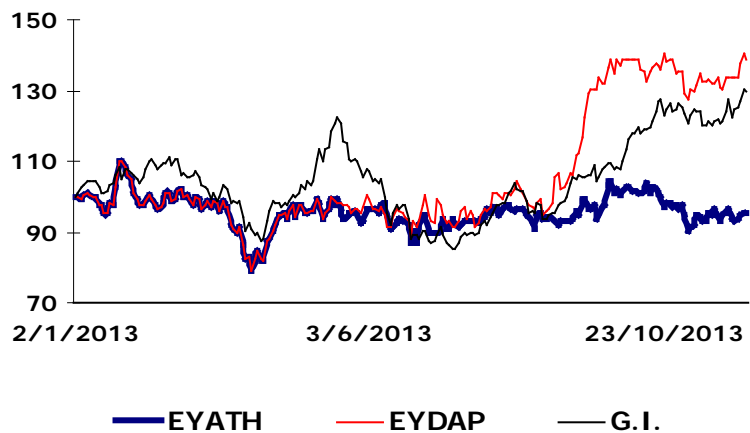


→ 4.5% turnover increase per employee in 2013 compared to 2012



→ 21.7% earnings per employee decrease in 2013 compared to 2012

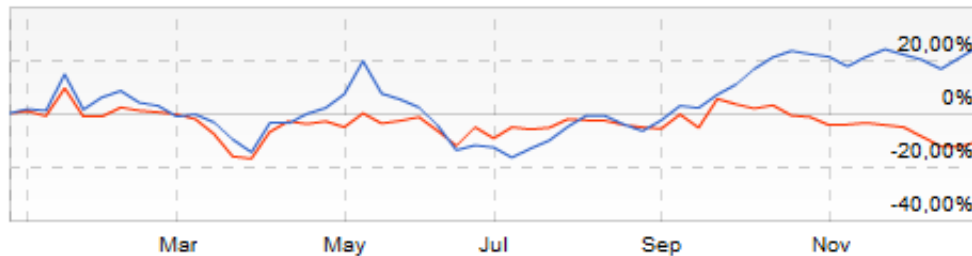
Established: 1998
IPO: 2001
Reuters Code: TWSr.AT
Bloomberg Code: EYAPS:GA
Market Cap 31/12/2013: € 196 mil.
No. of Shares: 36,300,000
ASE Category: Large Cap





EYATH

● TWSr.AT -10,54%
 ● .ATG +25,03%
 week of Dec 31, 2012 - week of Dec 30, 2013

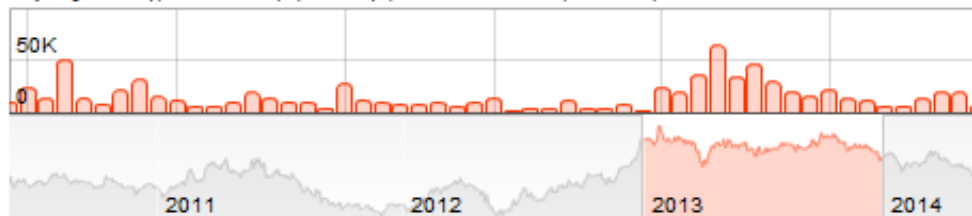


● EYATH (KO)

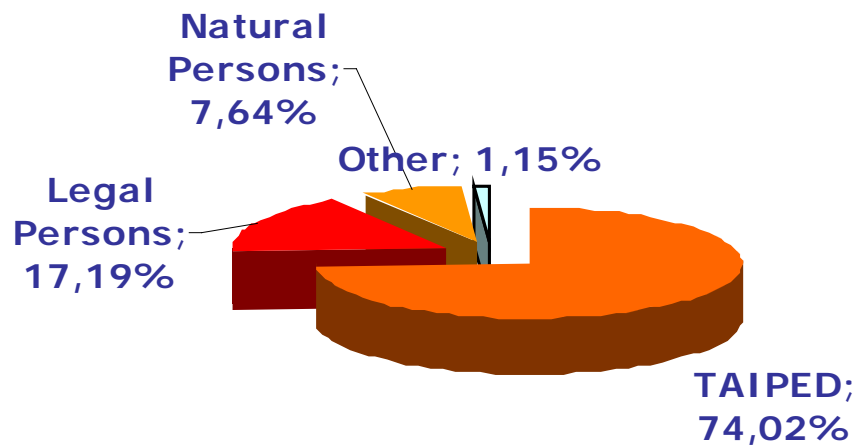
Σύγκριση με:

● Γενικός Δείκτης

Όγκος Άνοιγμα:1 650 Χαμηλό:0 Υψηλό:64 578 Κλείσιμο:6 357,25



Περίοδος: 31-12-2012 - 03-01-2013 Zoom: 10D 1M 3M 6M 1Y 3Y YTD MAX





Sector					
	Market Cap	P/E (x)	P/E 14(x) estimated	Price/Sales (x)	Dividend Return (%) 5year
EYATH	€ 171.3 m.	13.1	9.9	2.4	2.5
EYADAP	€ 958 m.	12.2	13.3	2.9	3.9
Pennon Group	GBP 2.9 b.	73.8	19.6	2.3	4.2
Acqua America	\$ 4.4 b.	21.3	20.6	5.7	2.5
Veolia	€ 7.7 b.	-	30.8	0.3	5.1
Severn Trent	GBP 4.9 b.	10.1	22.6	2.5	4.7

Source: Bloomberg

Growth Strategy





- **Strategy which ensures the sustainability of the Company targeting the Customer service and the Environmental protection**
- **Expansion of the Company's operations to take place initially in the areas the EYATH services and then into new areas**
- **Automation of facilities with the installation of technically advanced controlled systems and a single operation – administration centre**
- **Development of business initiatives on new operations**
- **Increase of the real value of EYATH S.A. under the acquisition of expertise and superior technology infrastructure**



	Targets	Strategy
Water Supply	<ul style="list-style-type: none"> → Efficient Resource Management → Network Modernisation 	<ul style="list-style-type: none"> → Investments improving capacity → Use of alternative water resources → Optimization of Quality Control → Implementation of exquisite technological methods
Sewerage Network	<ul style="list-style-type: none"> → Geographical Network Expansion → Protection of the Thermaikos Bay 	<ul style="list-style-type: none"> → Sewerage network construction → Subsequent maintenance and precaution program → Implementation of environmental friendly technologies → Anti flood protection



Operational Restructure

Targets	Strategy
→ HR programs	→ Seminars – Conferences → Training Programs
→ Client Service	→ Client Satisfaction rating system adoption → Electronic client support and communication network upgrade
→ Cost Management	→ Upgrade & control of the production and management costs → Implementation of Analytical Accounting System
→ Admin & Productivity Reinforcement	→ Upgrade of IT systems



New Business Units

Targets

- Customer Base Expansion
- New services based on EYATH's competitive advantages and existing client base

Strategy

- Expansion into municipalities beyond exclusive jurisdiction
- Strategic Alliances
- Energy
- Implementation of modern methods in network construction & maintenance

Reporting Table of the Business Plan of EYATH S.A.





STATEMENT OF INVESTMENTS 2008 - 2013					
DESCRIPTION	2009	2010	2011	2012	2013
1 Buildings	0.00	0.00	0.00	0.00	0.00
2A Machinery & Other	142,205.70	759,200.07	664,109.04	205,589.14	824,447.27
2B Installed Water Meters	280,298.40	128,586.01	114,950.44	110,763.99	443,665.28
3 Transportation	0.00	0.00	0.00	190,270.40	24,750.00
4 Furniture	306,516.68	116,552.52	137,374.43	99,647.92	333,981.86
5 Water Pipe Network	3,604,693.41	2,540,830.35	2,698,163.78	1,705,996.42	2,990,963.30
6 Sewerage Pipe Network	3,101,196.74	3,263,220.01	2,247,701.52	1,187,483.08	482,137.71
7 Network maintenance	9,879,692.10	10,216,785.64	11,698,814.67	12,675,824.47	14,095,933.33
8 R&D expenses	186,281.76	16,413.13	139,358.35	510,814.70	353,941.83
TOTAL	17,500,884.79	17,041,587.73	17,700,472.23	16,686,390.12	19,549,820.58
EXPENSES IN TOTAL CONCERNING INVESTMENTS & MAINTENANCE FOR FIXED ASSETS					88,479,155.45



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THESSALONIKI WATER SUPPLY & SEWERAGE Co S.A.