



Analysts' Presentation

April 2016





THESSALONIKI WATER SUPPLY & SEWERAGE Co S.A.



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 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.

 Dried Sludge Plant





Constant improvement of the provided services



Secure provision of excellent quality drinking water



Efficient environmental protection



Improvement of the company financials



Establish ecological awareness among consumers in relation to the proper use of water and environmental protection in general





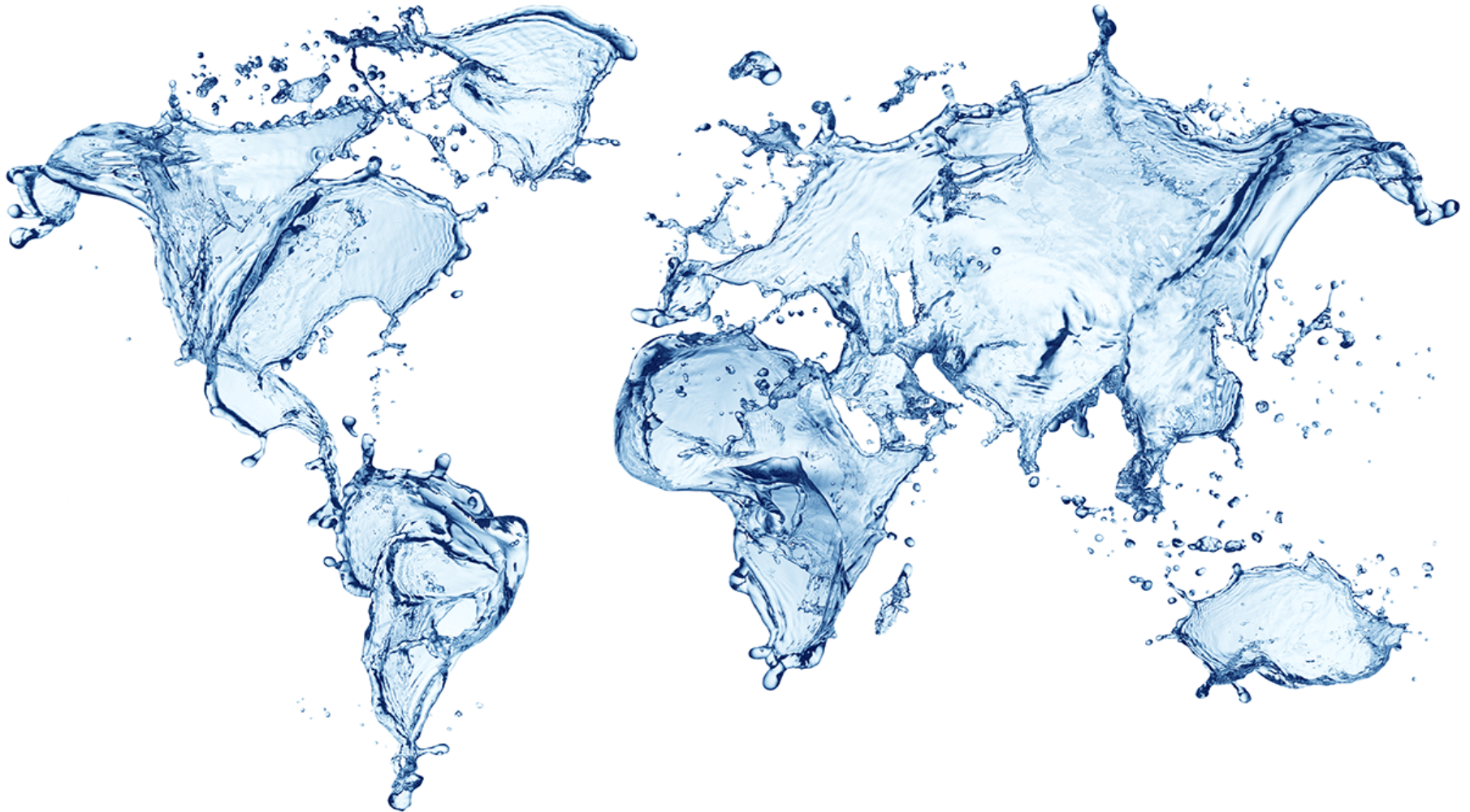
The Company Strategy focuses upon the fulfillment of its obligations as a Public Utility Company



Implement awareness campaigns for consumers on issues of sustainable water management and environmental protection



EYATh today





- 💧 **Rationalization of financial accounts**
- 💧 **Removal of significant amount of sludge**
- 💧 **Maintenance works increase with costs decrease**
- 💧 **Ensuring profitability and liquidity**
- 💧 **Partial replacement of network 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**





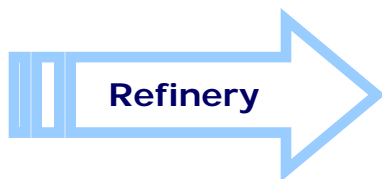
The reuse of the treated liquid waste in cultivation close to the Treatment Plant



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 operations extension of the Company.





EYATh S.A.

-  In progress is the Investment Plan 2010-2014 of total value € 90.9 mil.
-  Design and Implementation of the new Investment Plan 2015-2018, total value € 67.3 mil.
-  Expansion of the customer base
-  Exploitation of renewable resources for energy production is part of the long term target

**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



Major projects in progress:



a) Upgrade of the Sewage Treatment Plant of Thessaloniki - Biological Reactor Repair & Operation System.



b) Automation remote control systems - remote control pumping sewage (SCADA)



c) Supply, installation and configuration of a new information system (SAP) Phase A for Economic Management (Warehouse Supplies, Financial Service) and Design Phase B for the Commercial Management (Billing and CRM)





Operation & Maintenance :

- Receiving the majority of the urban waste
- Removal of substantial amounts for the production of organic fertilizers
- Progressive increase in demand for calcified material
- Remaining quantity amounts to 130,000 tonnes
- The product of the plant will be provided to agricultural land (budget of €2.2 mil.)





Capacity :

Capacity of Organic Load (design): 296,000 m³

Population Served (design): 1,333,000

Service Data for 2015:

Average daily Service: 158,760 m³

Amounts of wastes (m³/daily): a. Urban wastes 158,930 m³





Annual production of dewatered sludge 44,000 tons

Annual production of dried sludge 7,000 tons




Volume of treated waste for 2015 (m³): 57,950,000



Management's strategy outcome:

-  Streamlining and consolidation of the financial results of the company
-  Significant increase in dividend payout from € 0.121 to € 0.24 per share for the year 2014
-  Improving infrastructure and facilities
-  Removal of significant amounts of sludge mainly in agriculture, while reducing management costs



-  Investments in sewage processing plants for significant environmental improvements and energy savings
-  Development of information systems
-  Expansion of infrastructure and networks of the company in the region of Thessaloniki

Water





Water

- **250,000 m³** average daily water production
- **600,000** 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

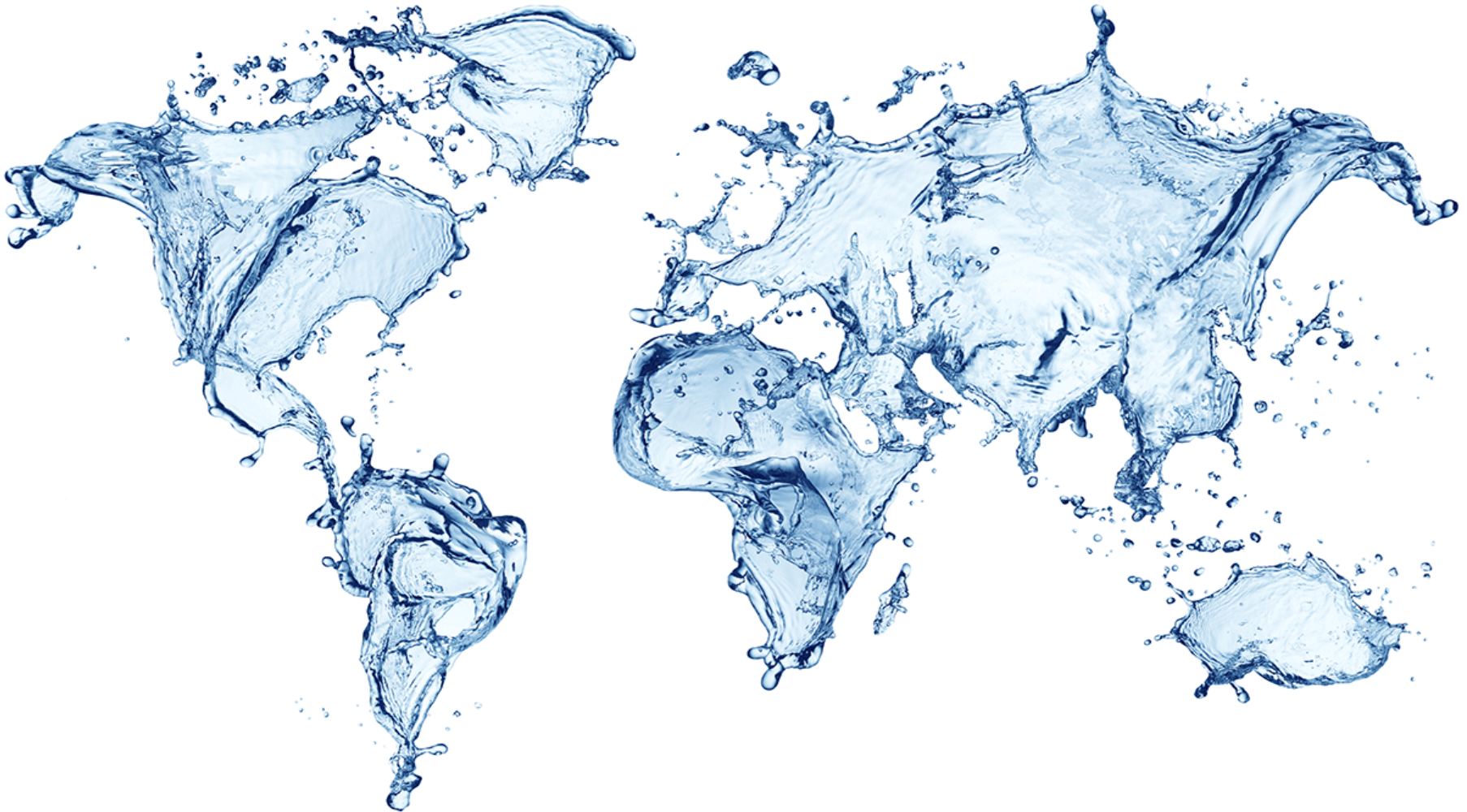
EYATH S.A.

- 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



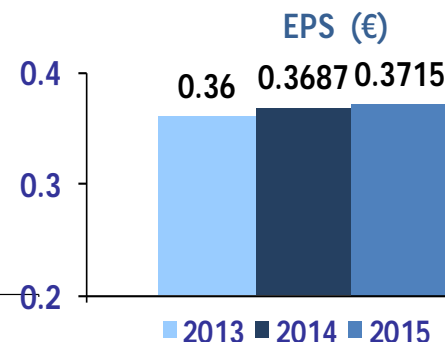
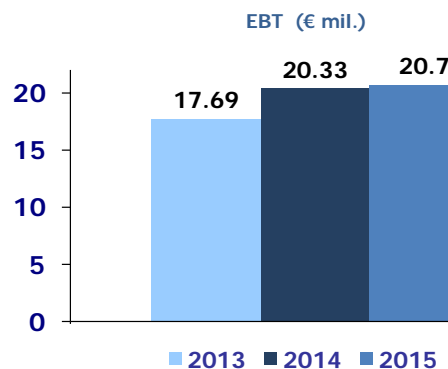
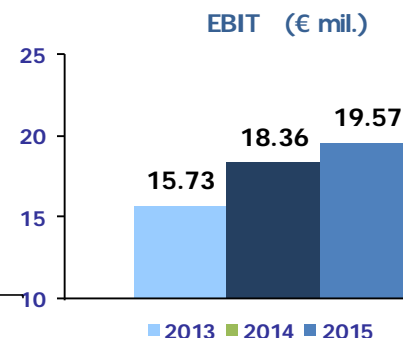
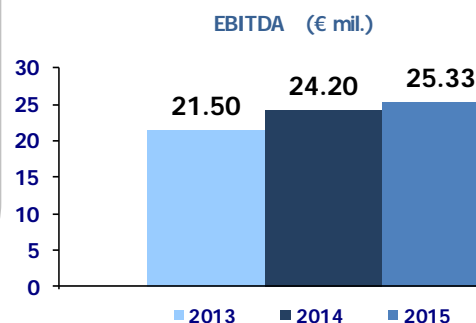
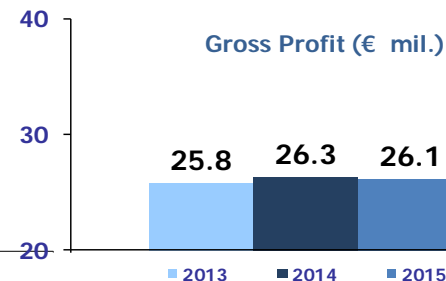
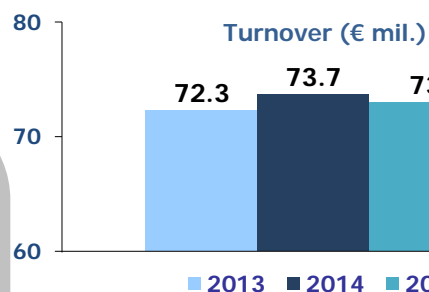


- The Group's turnover for the closing fiscal period reached €73,048 as opposed to €73,693 during the respective fiscal period last year thus a decrease of € 644 or 0.87%.
- Cost of sales amounted to € 46,980 against € 47,425 in 2014, thus a change of € 445 or 0.94%.
- Earnings before taxes for the Group amounted to € 20,701 against € 20,333 in the previous fiscal year, thus an increase of € 369 or almost 1.81%.
- Finally, earnings after taxes for 2015 amounted to € 13,485 against € 13,383 in 2014, thus an increase of € 102 or 0.76%.
- Gross profit for 2015 reached €26,068 from €26,268 the previous year noting a decrease of €200 of 0.76%.
- EBITDA for the current fiscal period amounted to €25,338 against € 24,241 a decrease of € 100 or 4.53%.
- Finally, cash reserves and equivalents for the ending of the fiscal period on the 31/12/2015, amounted to € 50,956 against € 50,305 on the 31/12/2014 an increase of € 651 or 1.30%.



Summary on Financials (€ th.)

	2015	2014	Difference
Turnover	73.048	73.693	-0.88%
Cost of Water Sold	46.98	47.425	-0.94%
Earnings Before Tax	26.068	26.268	-0.76%
Earnings After Tax	20.701	20.333	1.81%
Gross Profit	13.485	13.383	0.76%
EBITDA	25.338	24.241	4.53%
Equity	150.668	145.784	3.35%
Cash and Equivalent	50.956	50.305	1.29%



- Increase in profitability, equity position and cash position
- Operational expenses decrease by 3.64% (€10.9 m in 2015 vs €11.3 m in 2014)



(€ th.)	2015	2014
Assets		
Non Current Assets	87,791	87,087
Current Assets	107,264	102,286
Total Assets	195,235	189,373
Equity	150,668	145,784
Debt	26,651	26,899
Total Liabilities	192,235	189,373

2012 figures adjusted to revised IAS 19

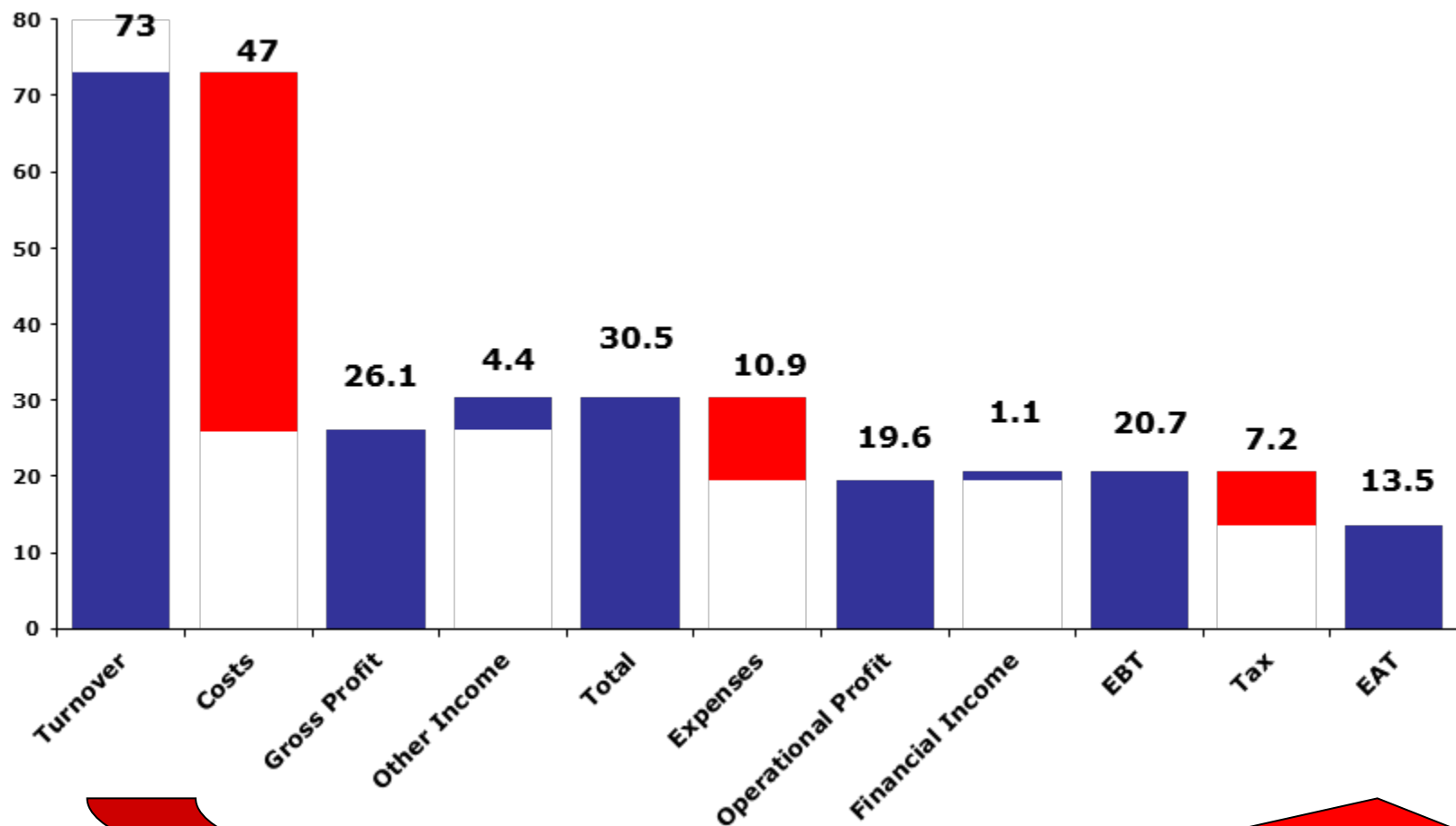
(€ th.)	2015	2014
Operating Activities	14,645	11,337
Investing Activities	- 5,520	- 4,129
Financing Activities	- 8,474	- 10,492
Cash - beginning	50,305	53,588
Cash - end	50,956	50,305
Cash - increase / decrease	652	- 3,284

2012 figures adjusted to revised IAS 19

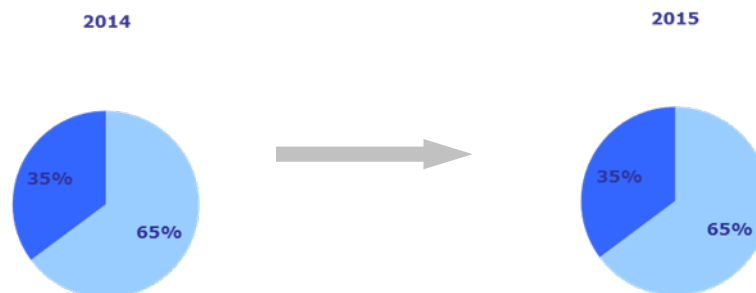
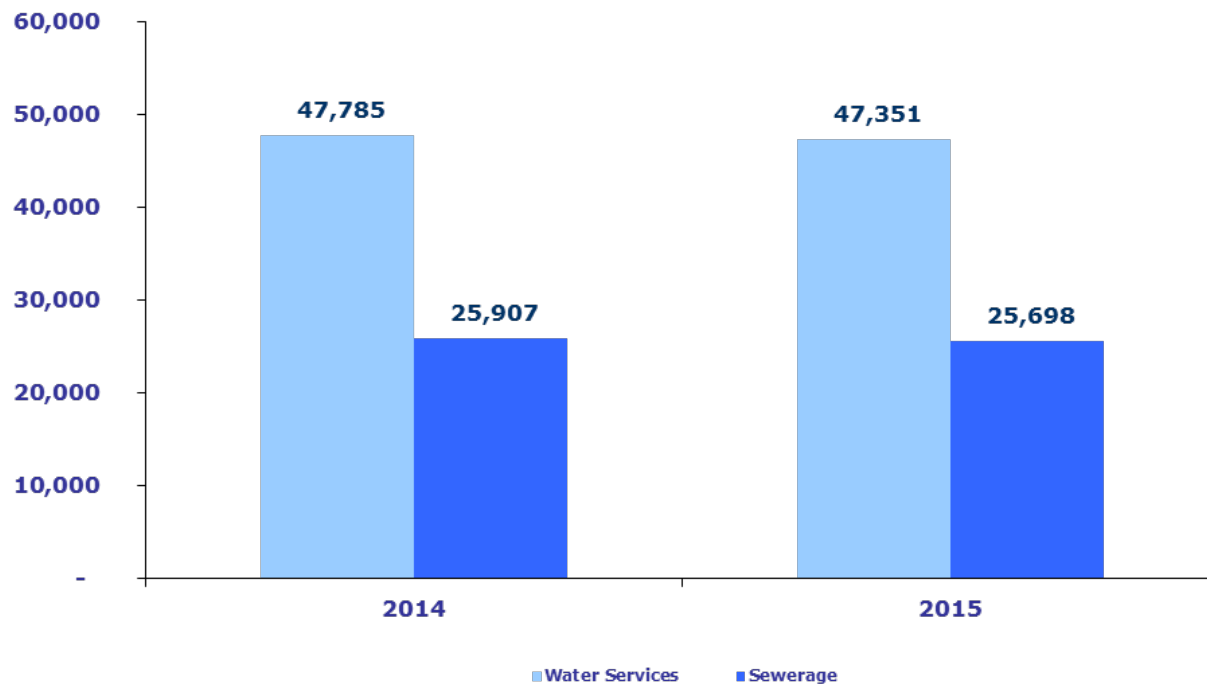


	2015	2014	2013	2012
Productivity Ratios				
Gross Profit Margin	35.69%	35,65%	35.71%	41.39%
EBIT	26.80%	24,92%	21.77%	25.14%
Liquidity Ratios				
Liquidity	5.99%	6.13%	4.81%	3.39%
Capital Structure Ratio				
Equity / Debt	338.07%	334,46%	297.08%	247.06%
Investment Ratio				
EPS	0.35	0,37	0,36	0,49

2012 figures adjusted to revised IAS 19

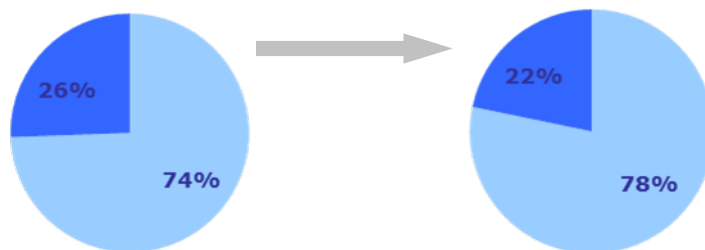
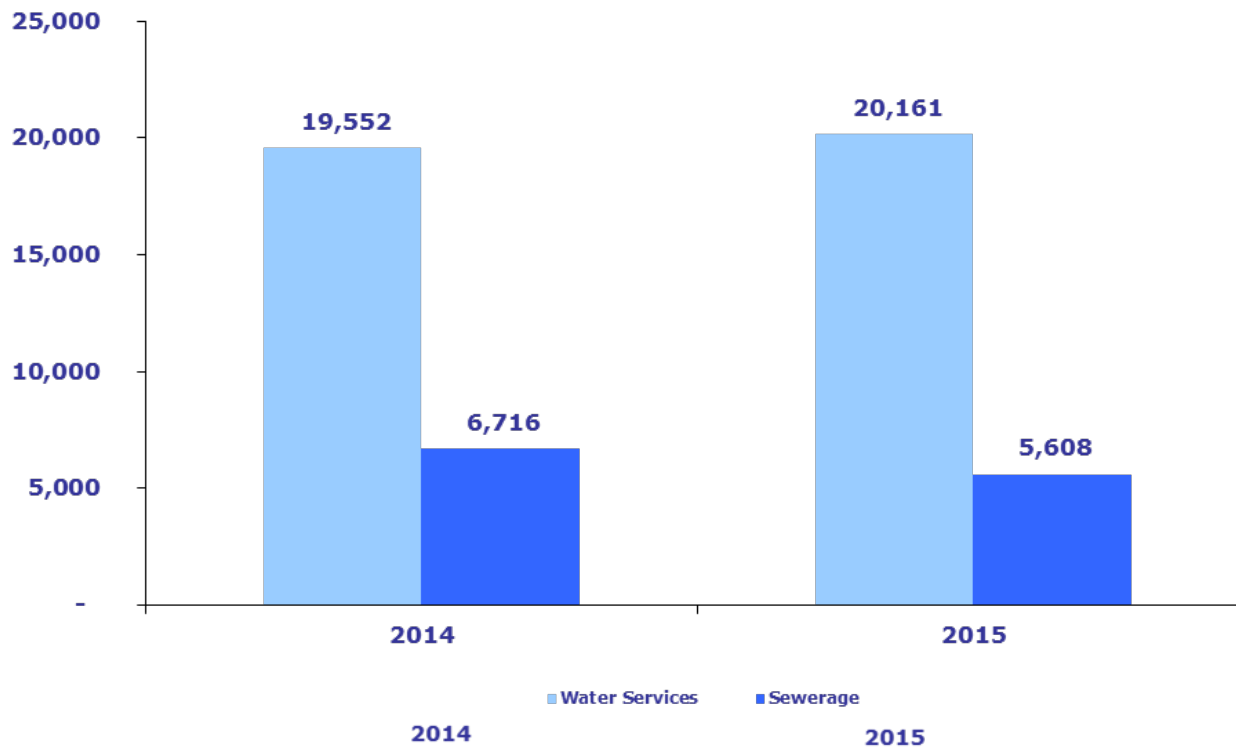


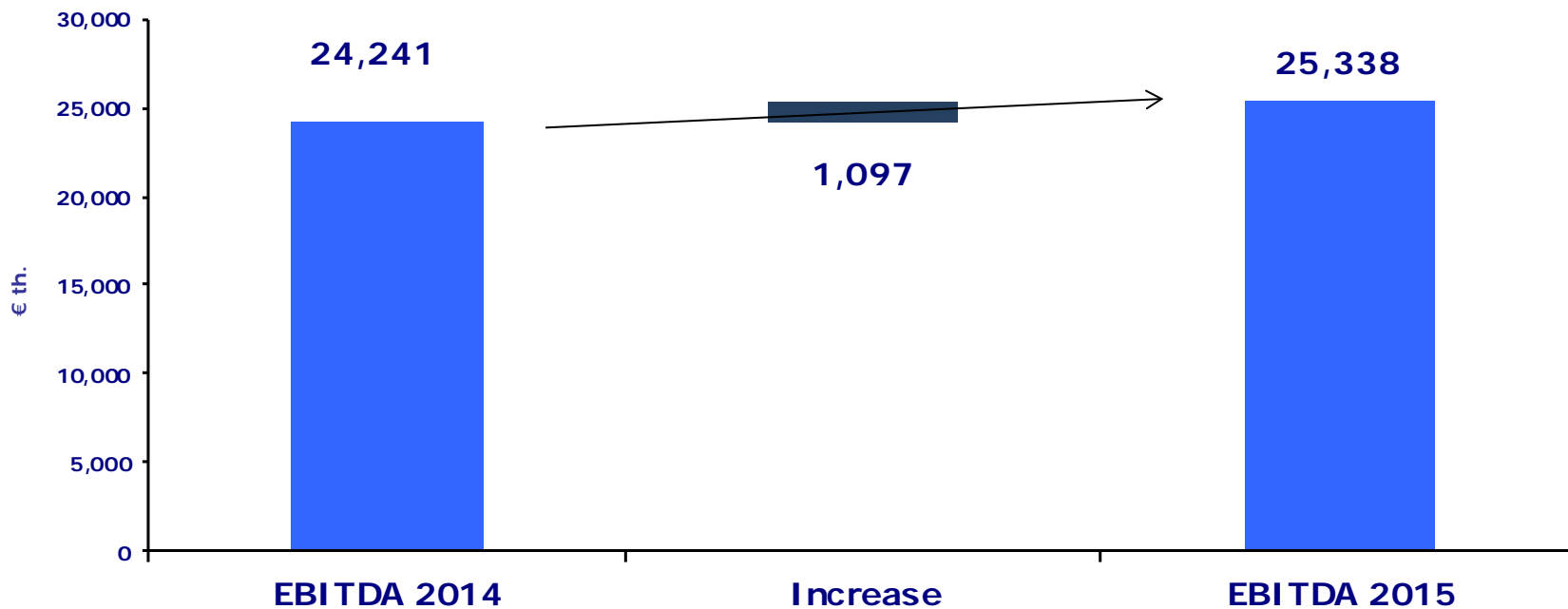
Turnover Analysis



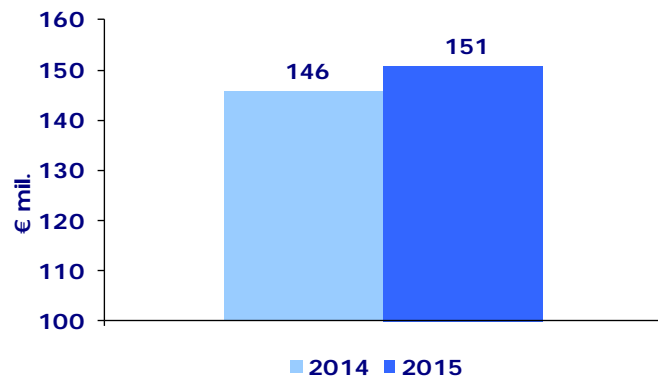


Gross Profit Analysis

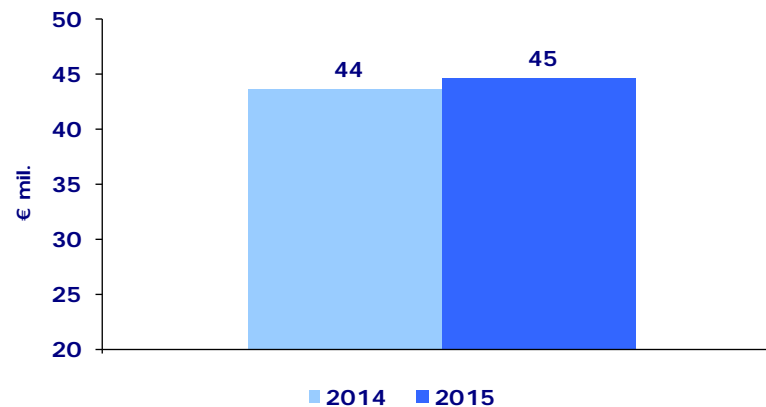




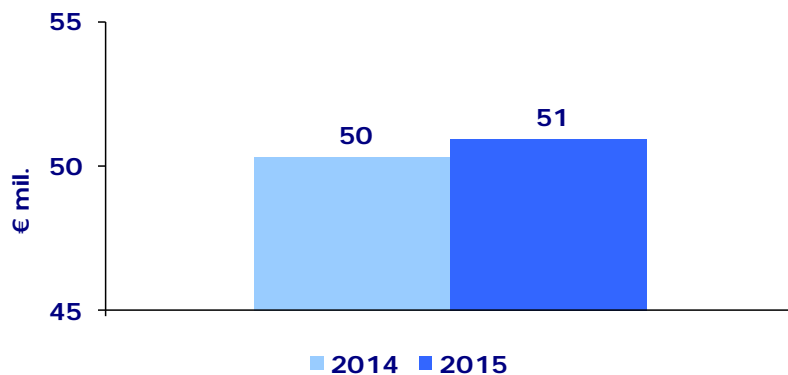
Equity € mil.



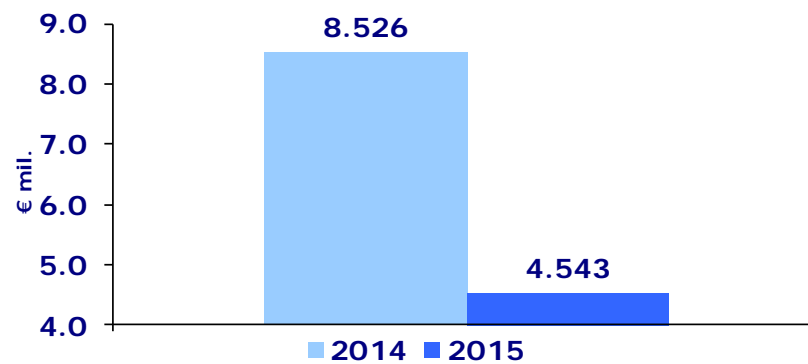
Liabilities € mil.



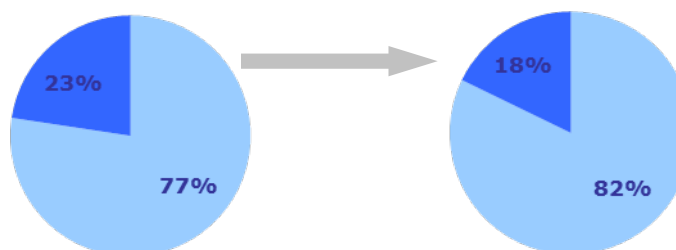
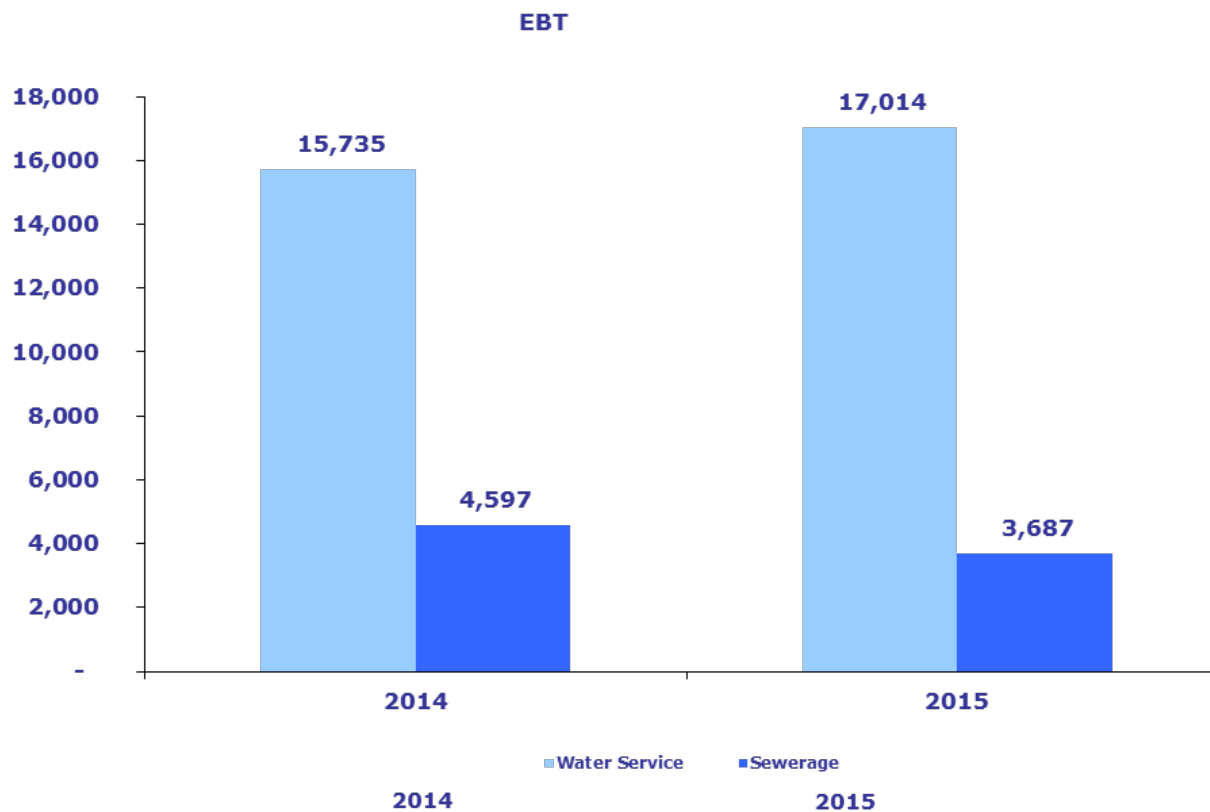
Cash € mil.

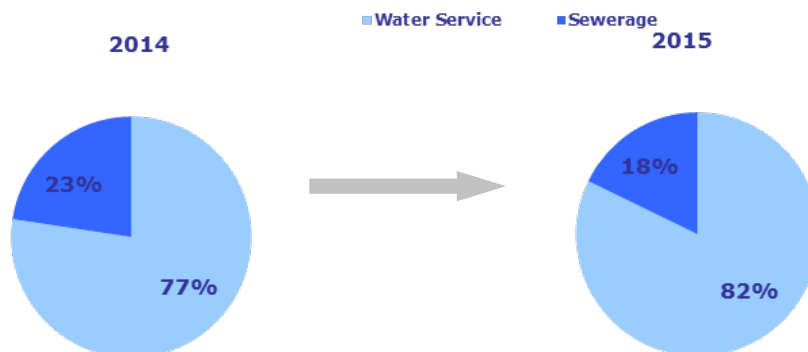
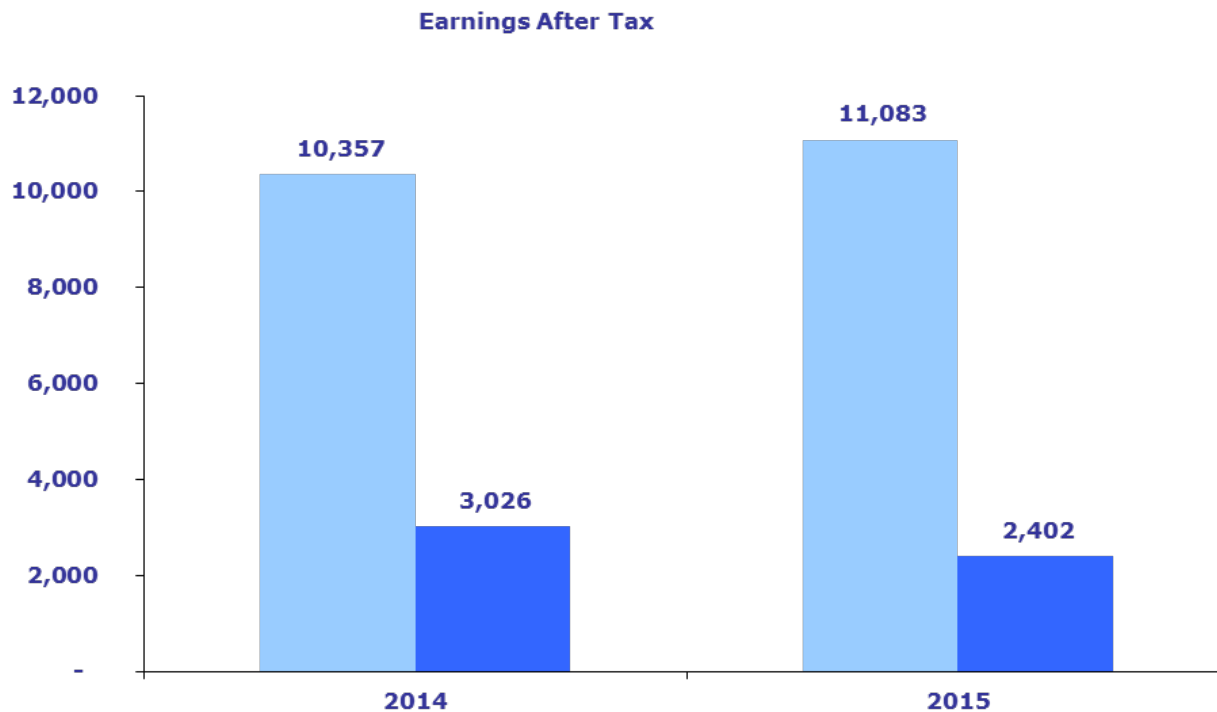


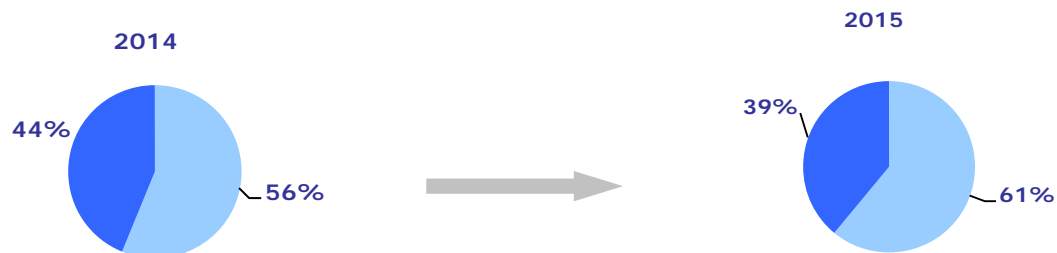
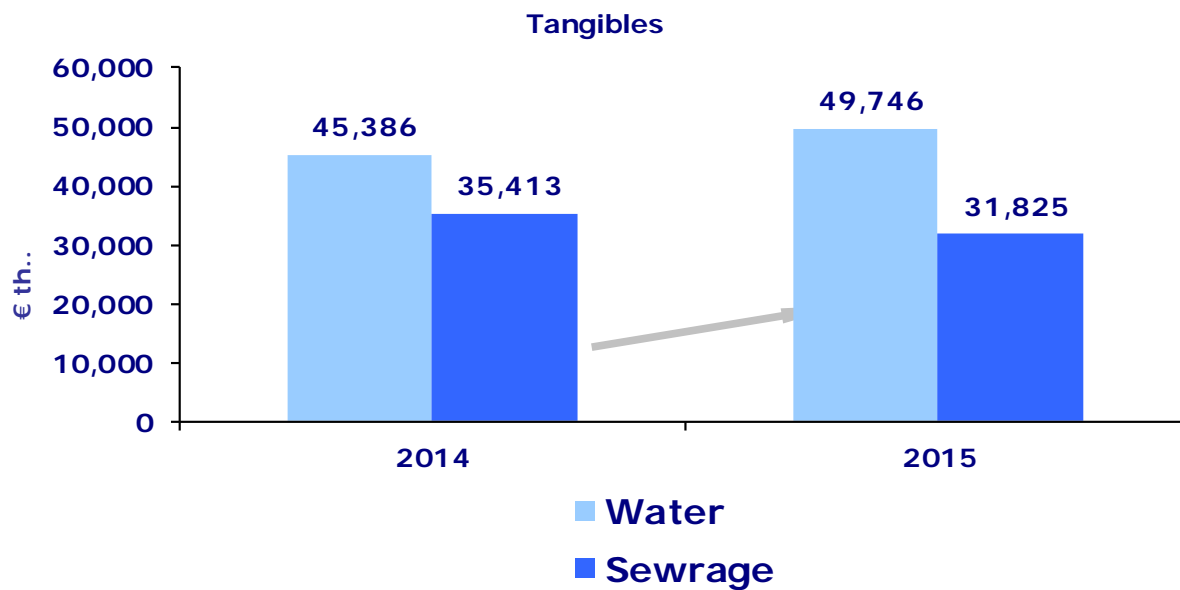
Dividend € mil.

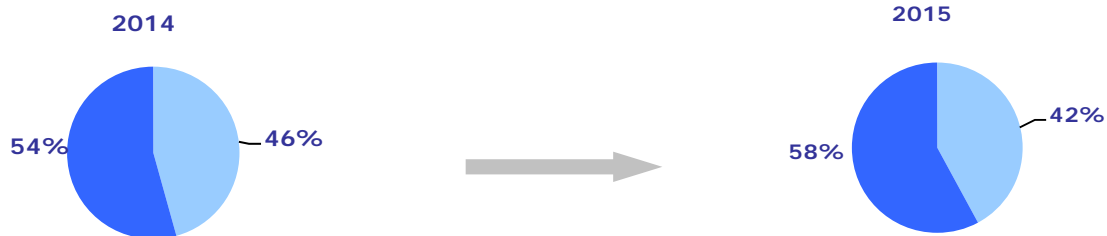
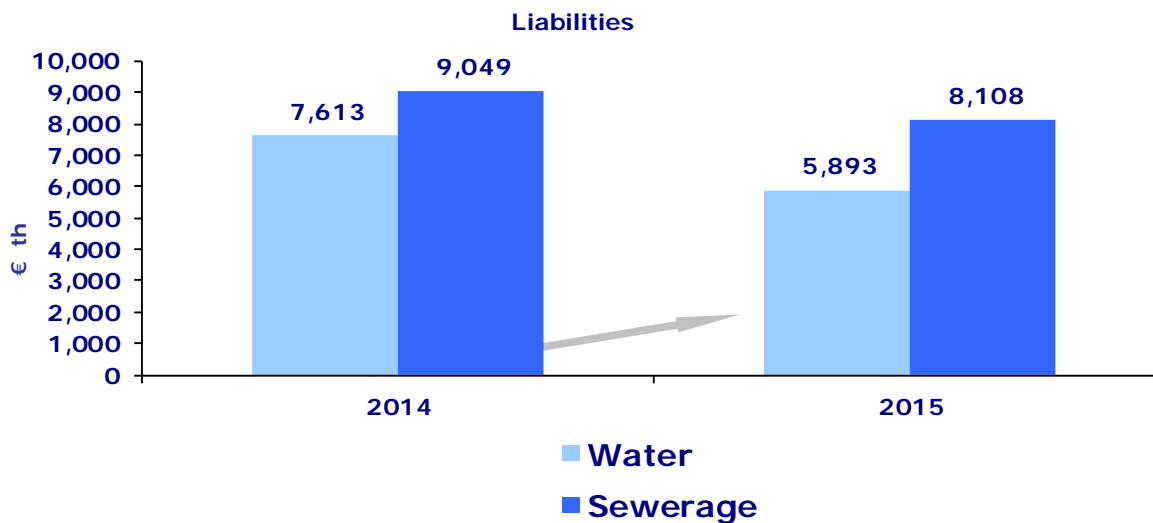


Earnings Before Taxes - 2015



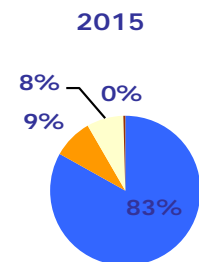
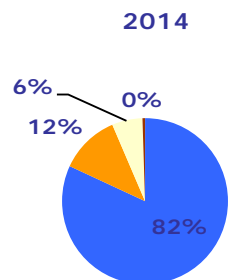
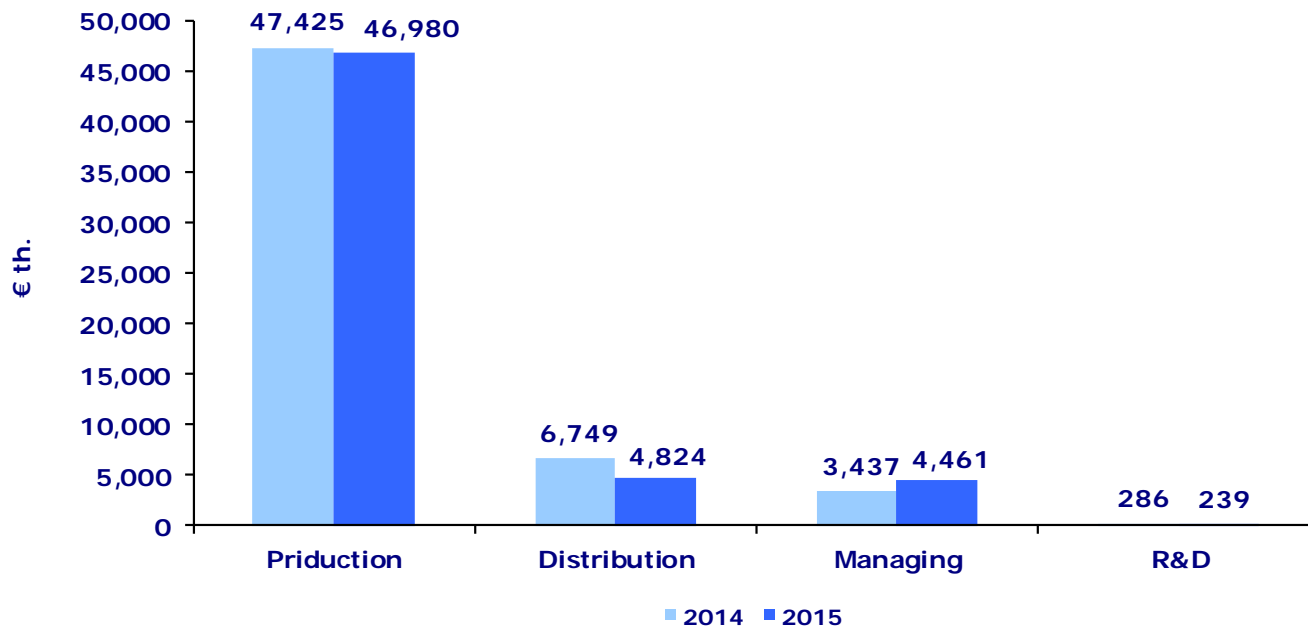




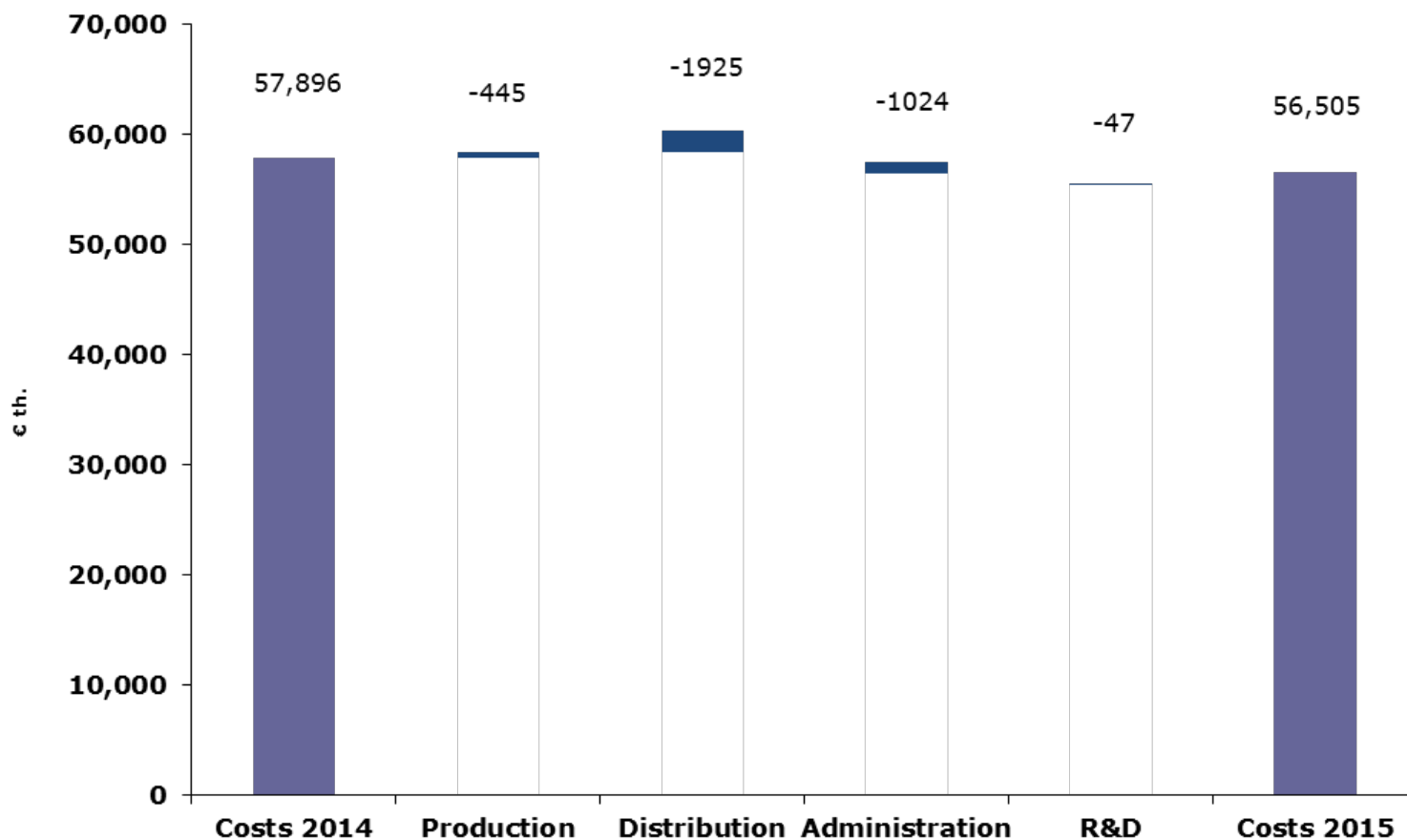




Cost Analysis



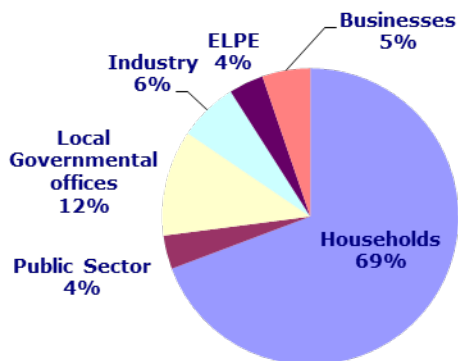
■ Production
 ■ Distribution
 ■ Managing
 ■ R&D



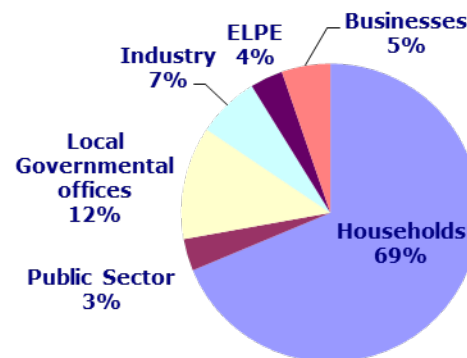
→ Costs decrease in 2015 compared to 2014



Water Consumption Breakdown 2015



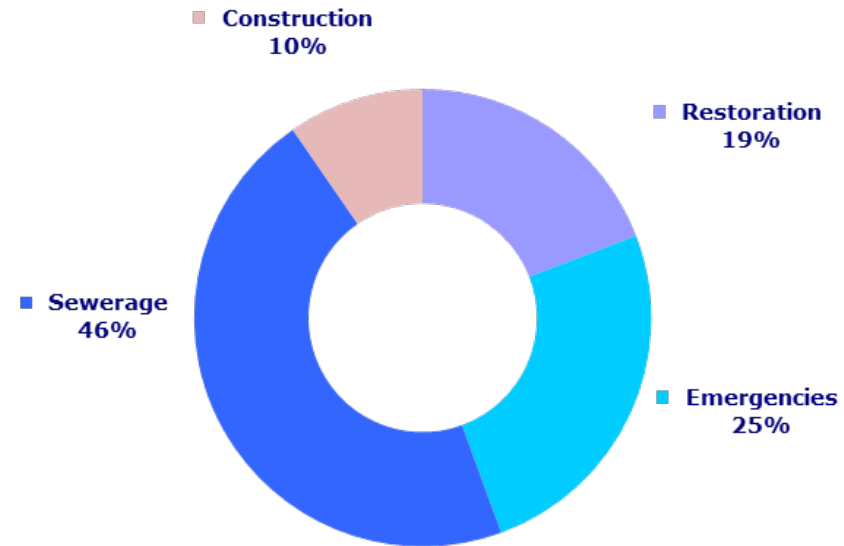
Water Consumption Breakdown 2014



sq.m. (mil.)	2015	2014	%
Households	37.6	38.2	-1.6%
Public Sector	1.9	1.9	0.0%
Public Sub Sector	6.3	6.8	-7.4%
Industry	3.6	3.8	-5.3%
ELPE	2.1	2	5.0%
Businesses	2.9	2.9	0.0%
Total	54.4	53.4	1.9%

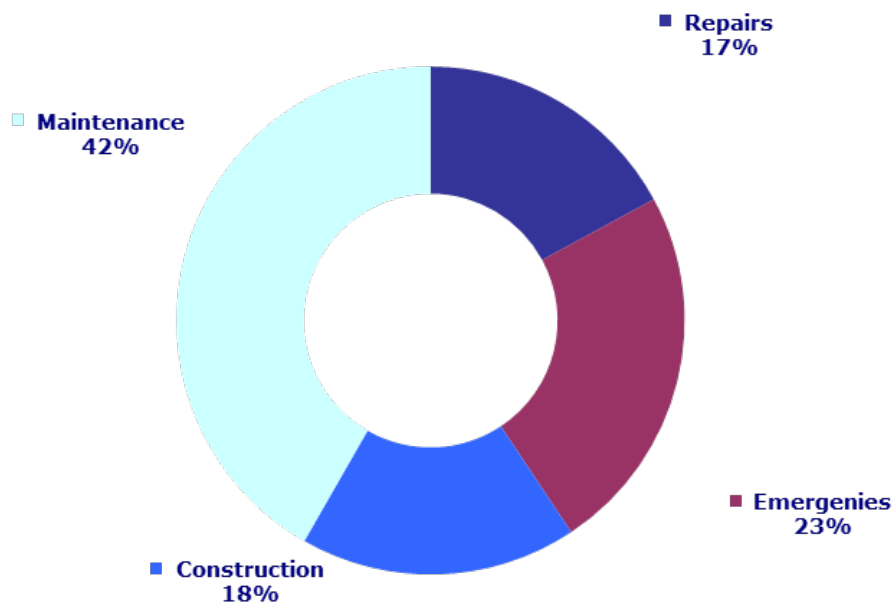


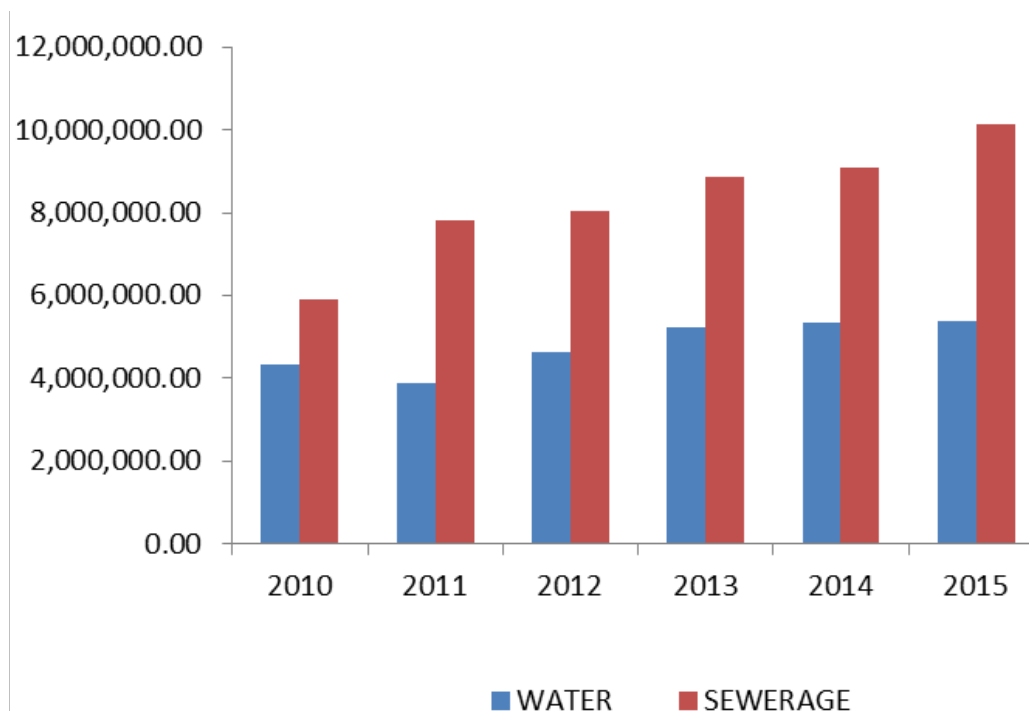
Works Completed in 2015





Works in the process 2015





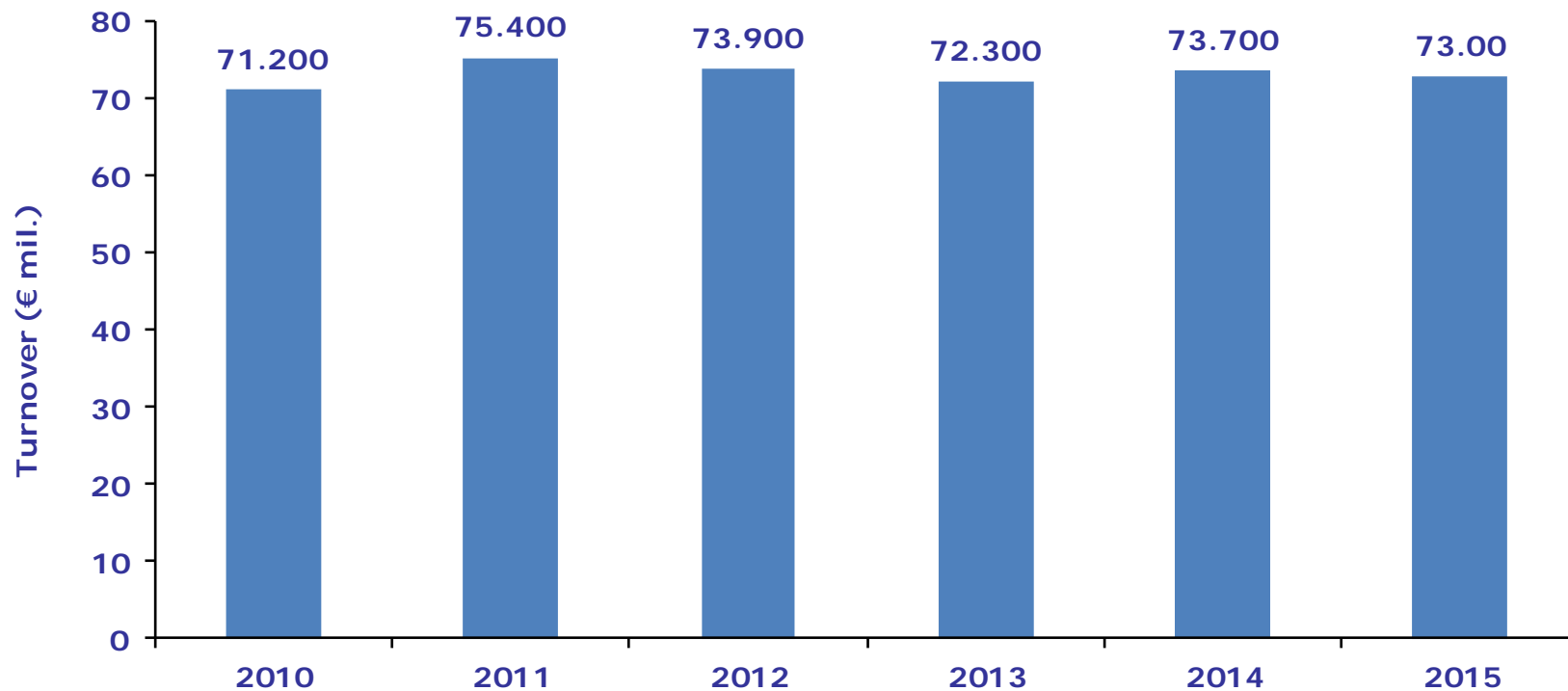
	2010	2011	2012	2013	2014	2015	TOTAL
WATER	4,323,636.94	3,876,340.17	4,620,479.59	5,237,922.96	5,361,057.29	5,398,063.75	28,817,500.70
SEWERAGE	5,893,148.70	7,822,474.50	8,055,344.88	8,858,010.37	9,081,054.67	10,121,863.68	49,831,896.80
TOTAL	10,216,785.64	11,698,814.67	12,675,824.47	14,095,933.33	14,442,111.96	15,519,927.43	78,649,397.50

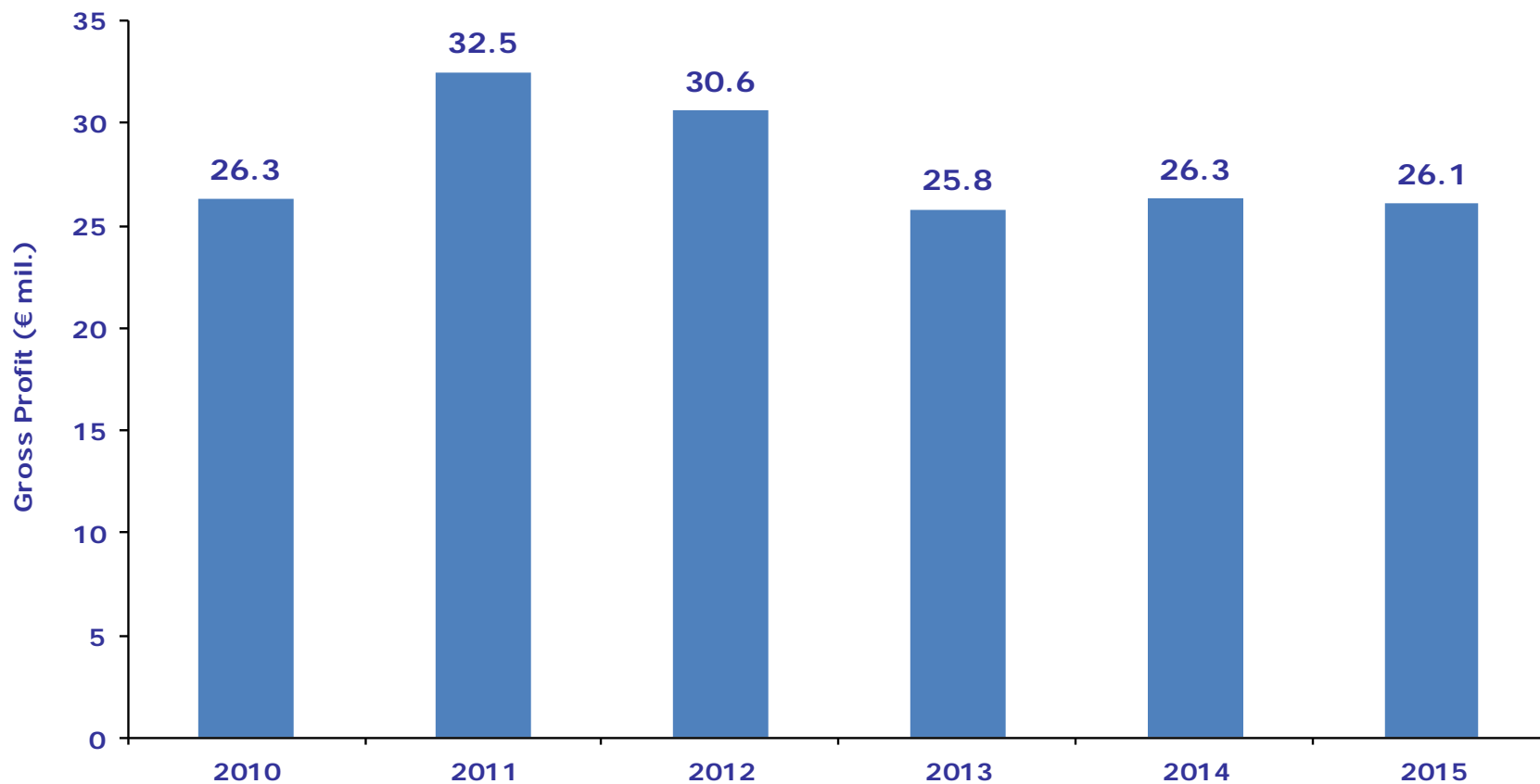


- The Company's Board of Directors with the number 517/2006 decision has approved the new invoicing policy for the five year period 2007 – 2011, validated by the number 11741/29-12-2006 JMD of the Minister of Economy and Finance and Minister of Macedonia Thrace, (G.N 202, Issue B' 16-2-2007) applied since May 2007, regarding water consumptions from the 1/1/2007 providing for a yearly re adjustment of the cost of any kind of water supply and sewerage systems services.
- In 2011 under the 419/2011 decision by the Board of Directors the new invoicing policy of the company was approved for the period 2012 – 2013, validated by the number 4799/19-12-2012 (3450/B/27-12-2012) JMD of the Minister of Economy and Finance and Minister of Macedonia Thrace, which provides for 2012, price stabilisation in the current levels, special water levy at €0.07/sq.m. as well as the integration of fixed charges at a flat fee and from 2013, the weighted average price increase for water by 1% and for sewerage by 4% (80% from 76%) on the water price.
- By the no. 74/2014 Decision of the Board EYATH SA, it was decided the issue of Common Minister Decision for the duration of one year, which will determine the tariffs for the period of 01.01.2014 to 31.12.2015, the same amount that had been set by the JMD decision of A 4799/19-12-2012 to ensure the smooth operation of the company and guarantee of revenues, at the phase of transition to the new charging regulatory framework.

→ For 2015 water tariff to be kept on 2013 levels

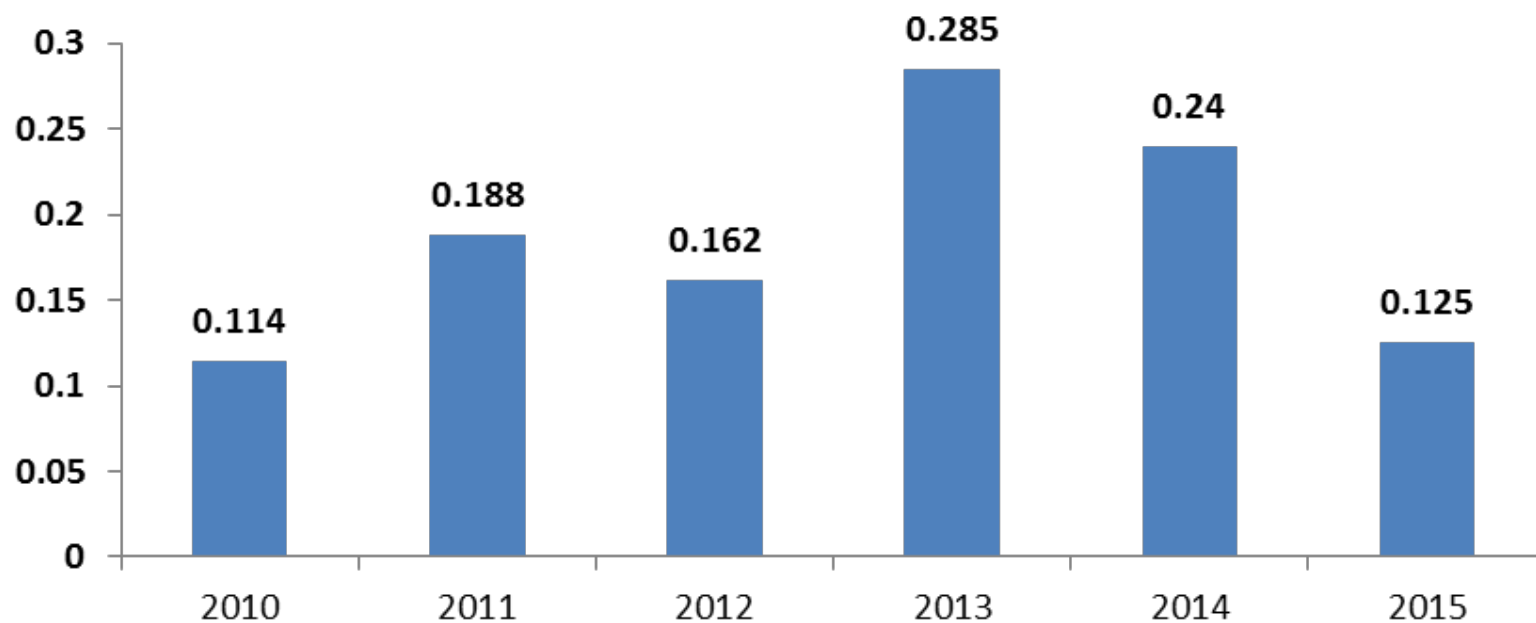
Results	2010	2011	2012	2013	2014	2015
Turnover	71,182	75,400	73,851	72,299	73,693	73,048
Costs	44,878	42,876	43,284	46,479	47,425	46,980
Gross Profit	26,304	32,524	30,566	25,821	26,268	26,068
Other Income	3,406	2,635	3,133	3,418	3,392	4,397
	29,710	35,159	33,699	29,238	29,660	30,465
Distribution Expenses	3,081	4,365	4,869	5,004	6,749	4,824
Administration Expenses	5,249	4,542	3,976	4,245	3,437	4,461
R&D Expenses	541	446	484	306	286	239
Other Operational Expenses	1,826	2,389	5,803	3,947	828	1,365
Operational Profit	19,013	23,416	18,567	15,736	18,361	16,575
Financing Costs	1,865	2,592	2,831	1,960	1,972	1,126
EBIT	20,878	26,008	21,397	17,696	20,333	20,701
Investment Income	0	0	0	0	0	0
EBT	20,878	26,008	21,397	17,696	20,333	20,701
Taxation	8,475	5,413	3,681	4,621	6,950	7,217
Earnings After Tax	12,402	20,595	17,716	13,075	13,383	13,485





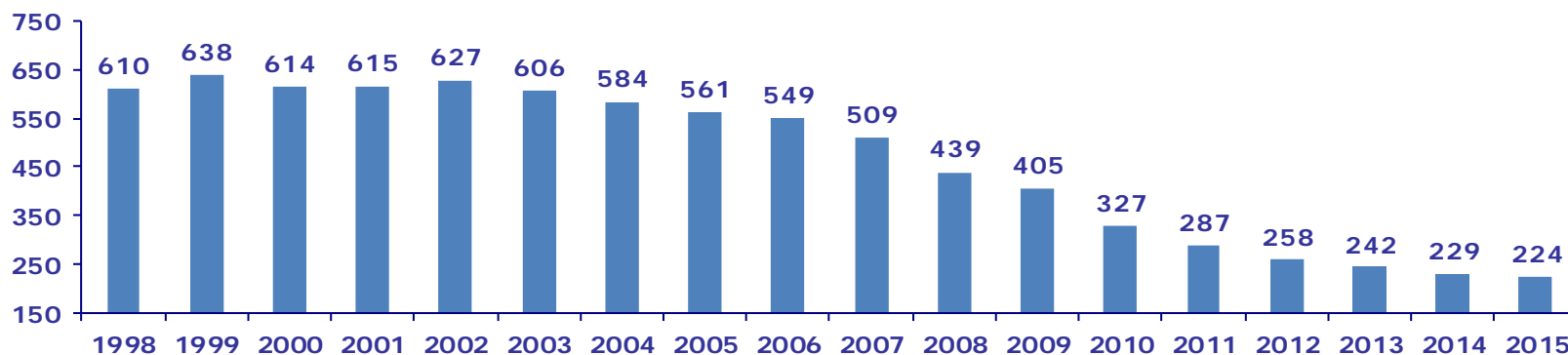


Dividend / Share (€)





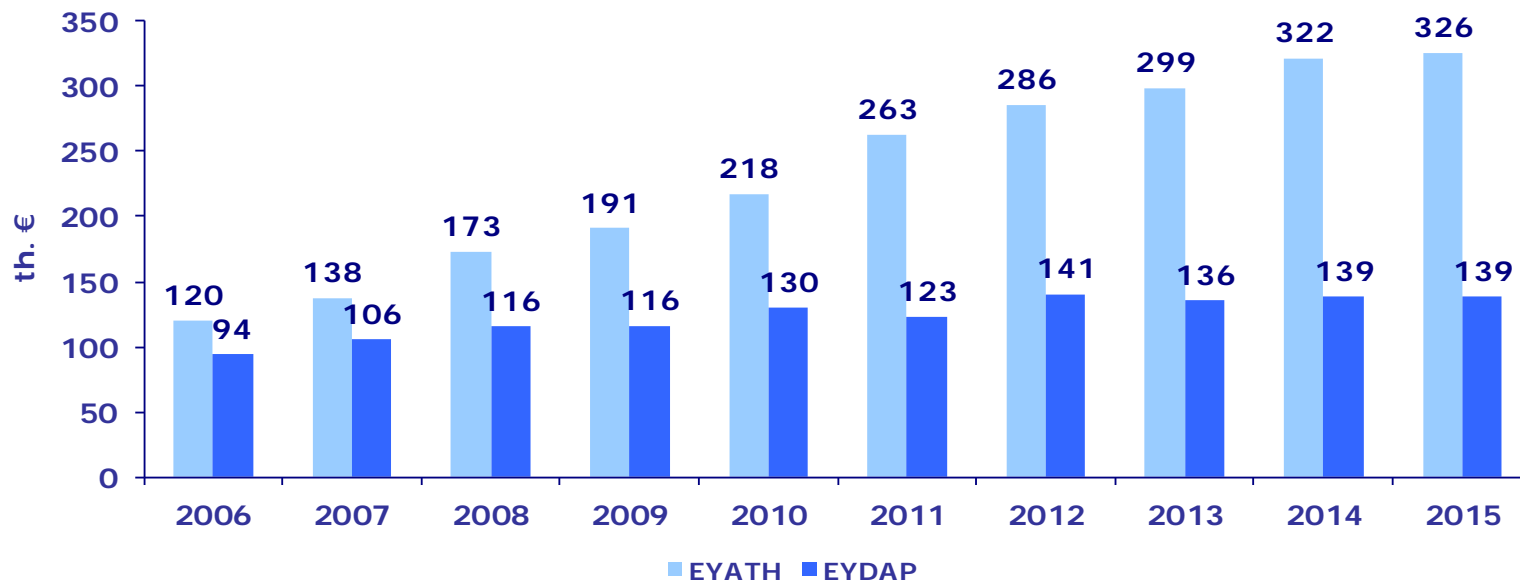
Personnel



→ 2.18% staff decrease in 2015 compared to 2014



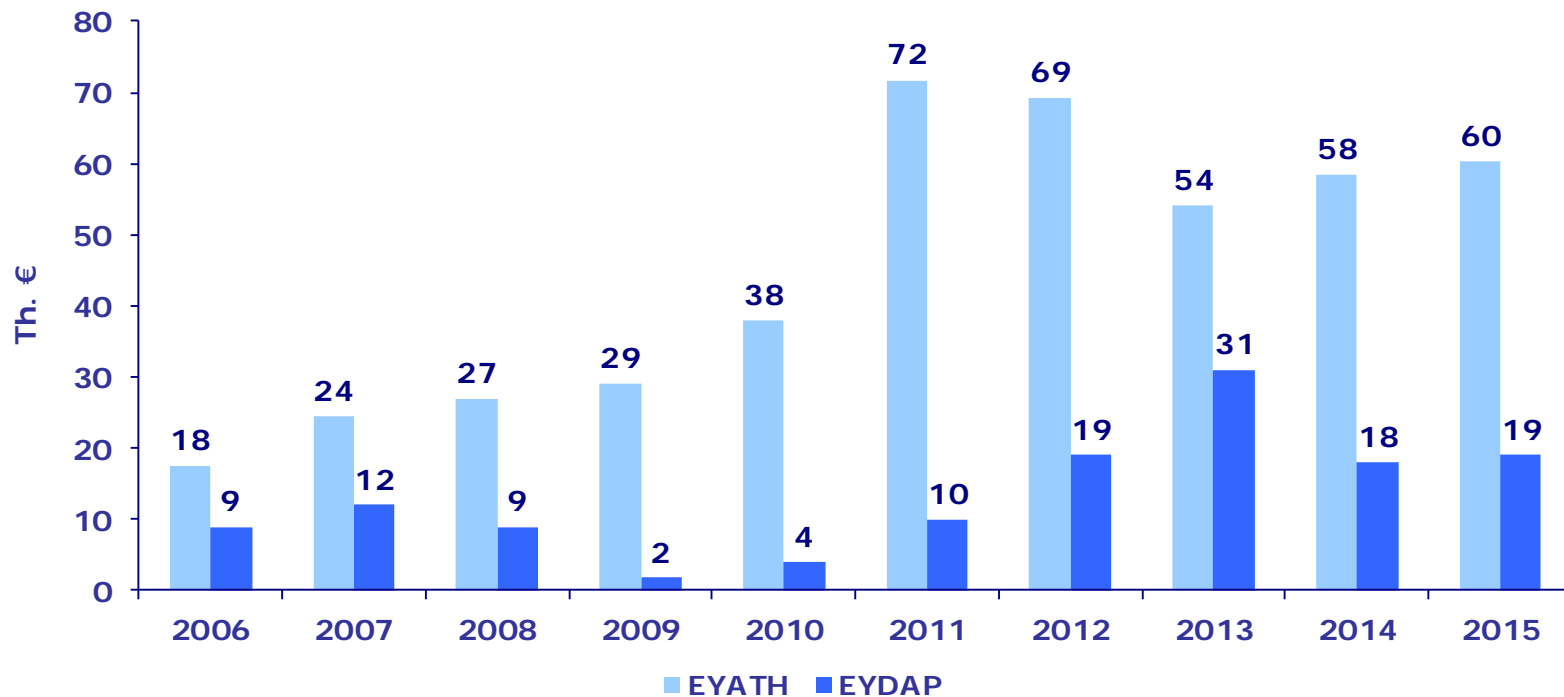
Turnover per employee



→ 1.24 % turnover increase per employee in 2015 compared to 2014

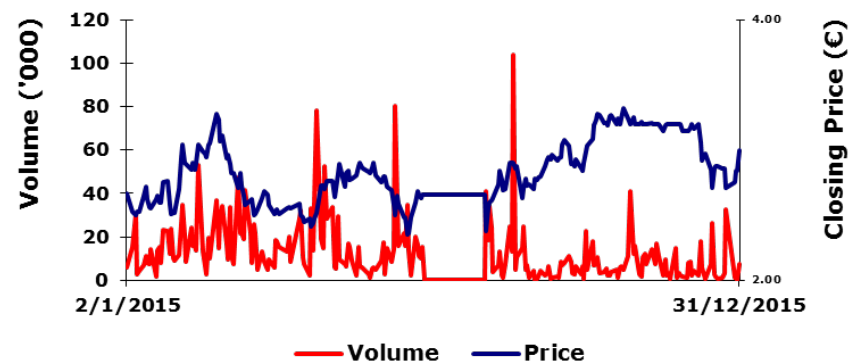
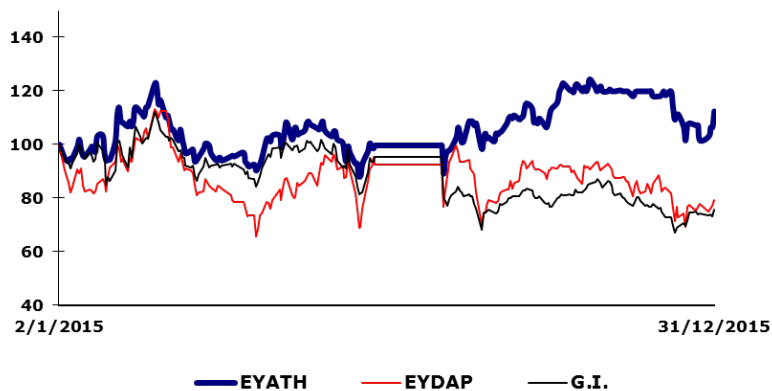


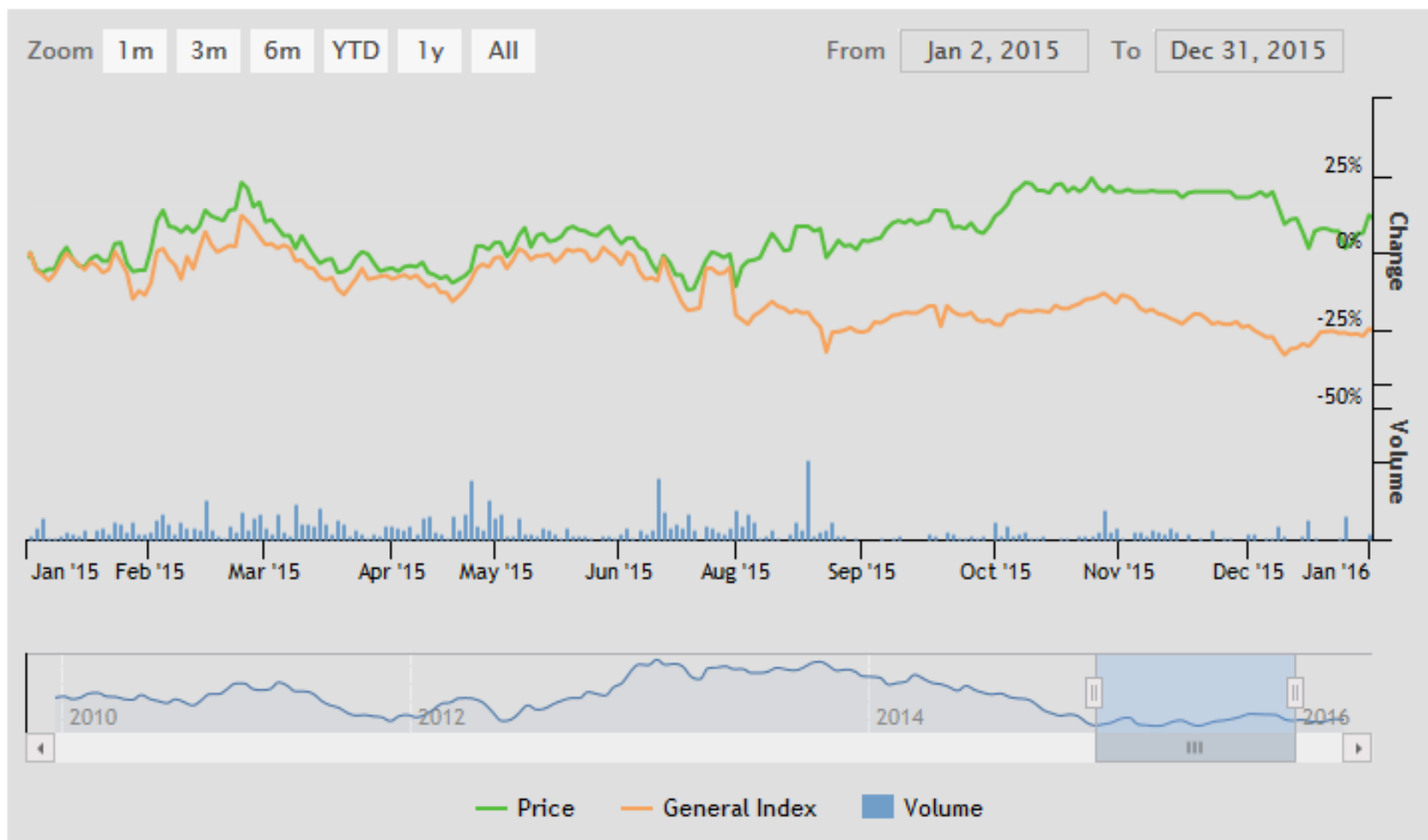
Net Earnings per Employee

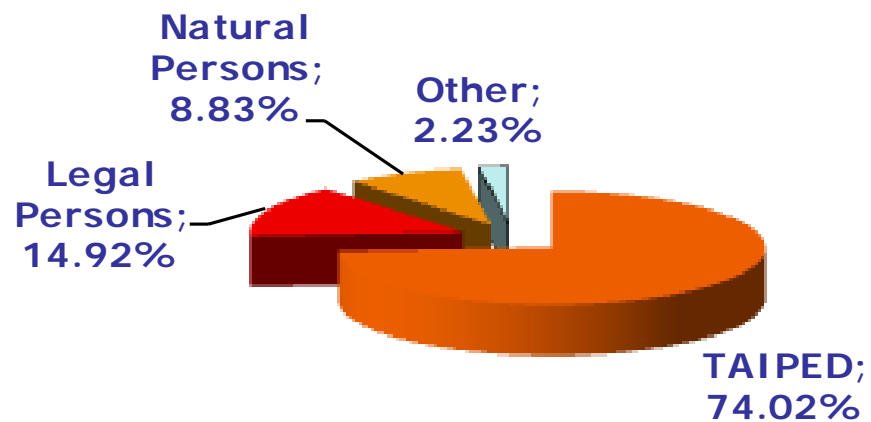


→ 3.4% earnings per employee increase in 2015 compared to 2014

Established: 1998
IPO: 2001
Reuters Code: TWSr.AT
Bloomberg Code: EYAPS:GA
Market Cap 31/12/2015: € 108,9 mil.
No. of Shares: 36,300,000
ASE Category: Large Cap







Sector					
	Market Cap	P/E (x)	Annual Return 2015(%)	Price/Sales (x)	Dividend Return (%) 5year
EYATH	€ 108.1 m.	13.23	27.15	1.5	8.05
EYADAP	€ 426 m.	9.70	-21.36	1.3	5
Pennon Group	GBP 3.3 b.	27.21	-0.22	2.4	4,4
Acqua America	\$ 5.5 b.	26.41	22.36	6.8	2.3
Veolia	€ 11.4 b.	0.68	16.95	0.4	3.6
Severn Trent	GBP 5 b.	33.76	6.57	2.9	4.3

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**
- **Social responsibility actions**



	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

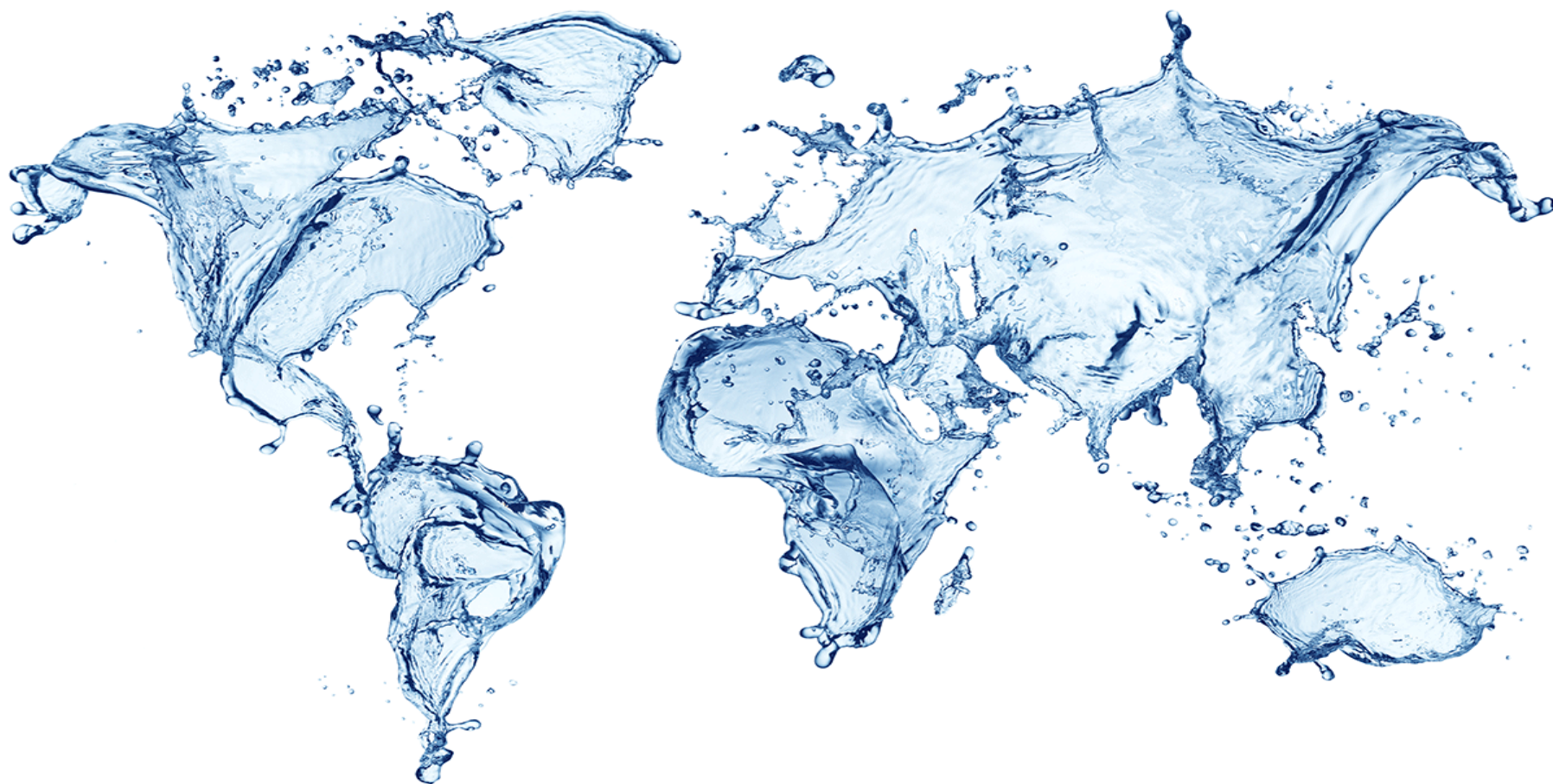
Targets

- 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

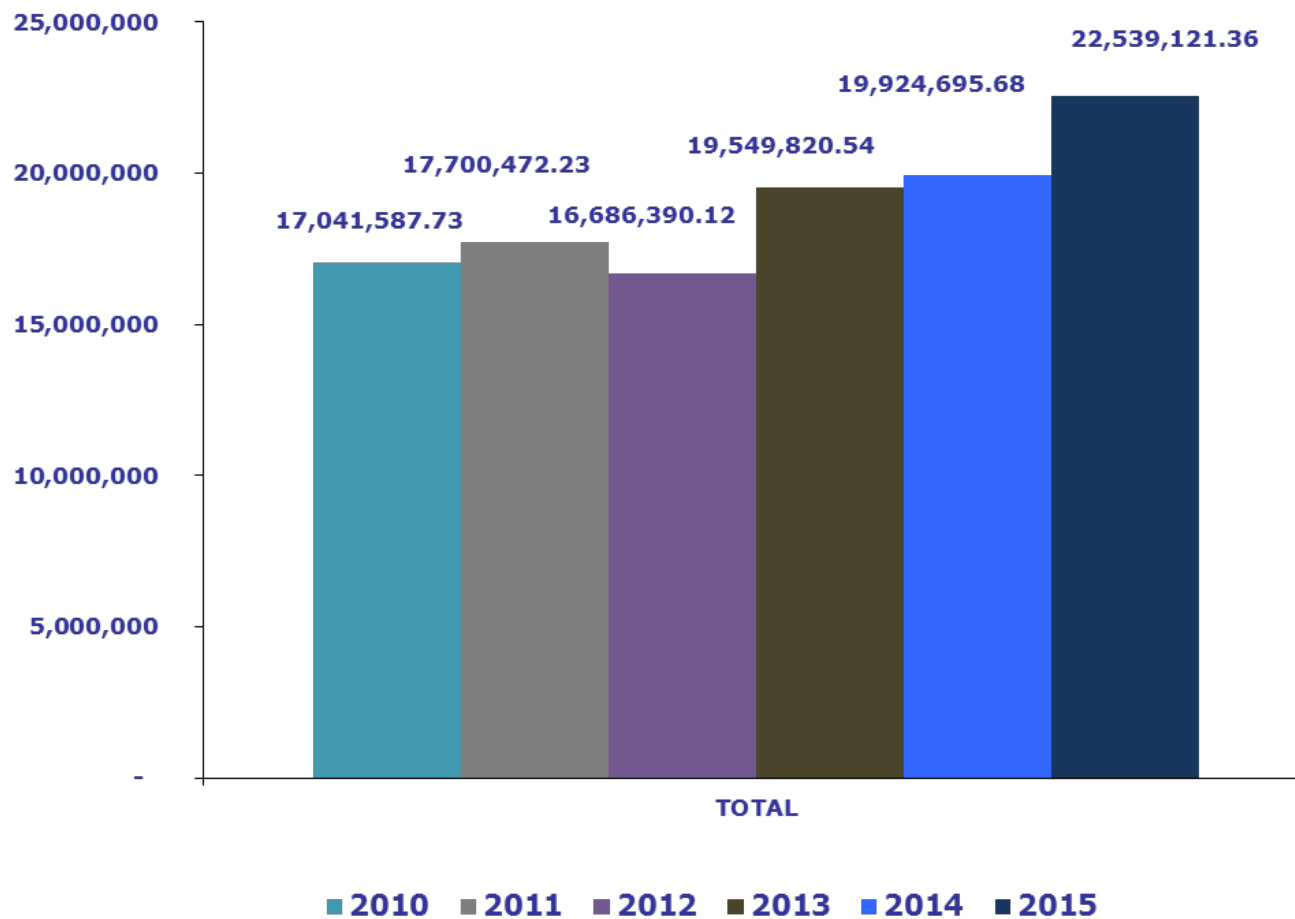
Reporting Table of the Business Plan of EYATH S.A., 2010 - 2015

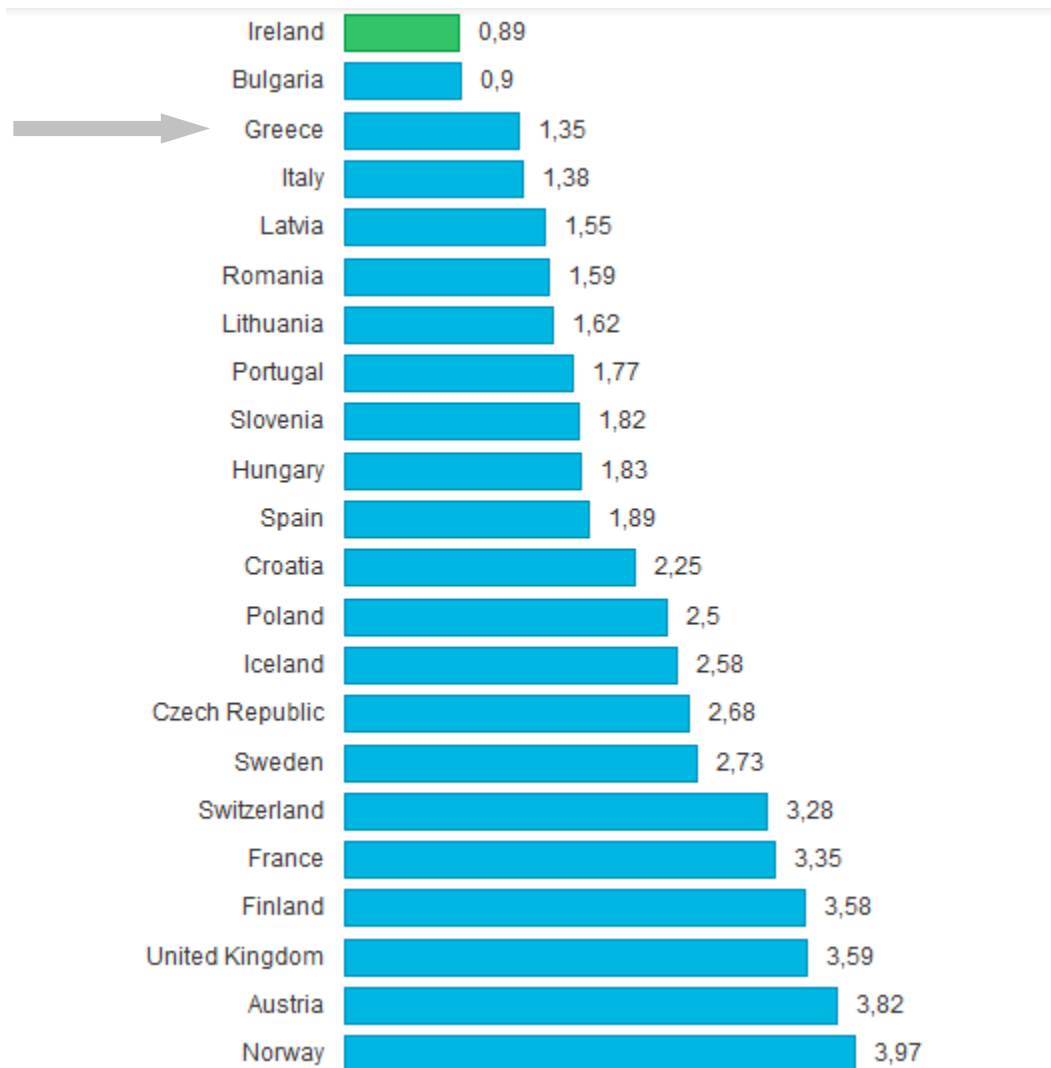


STATEMENT OF INVESTMENTS 2011 - 2015

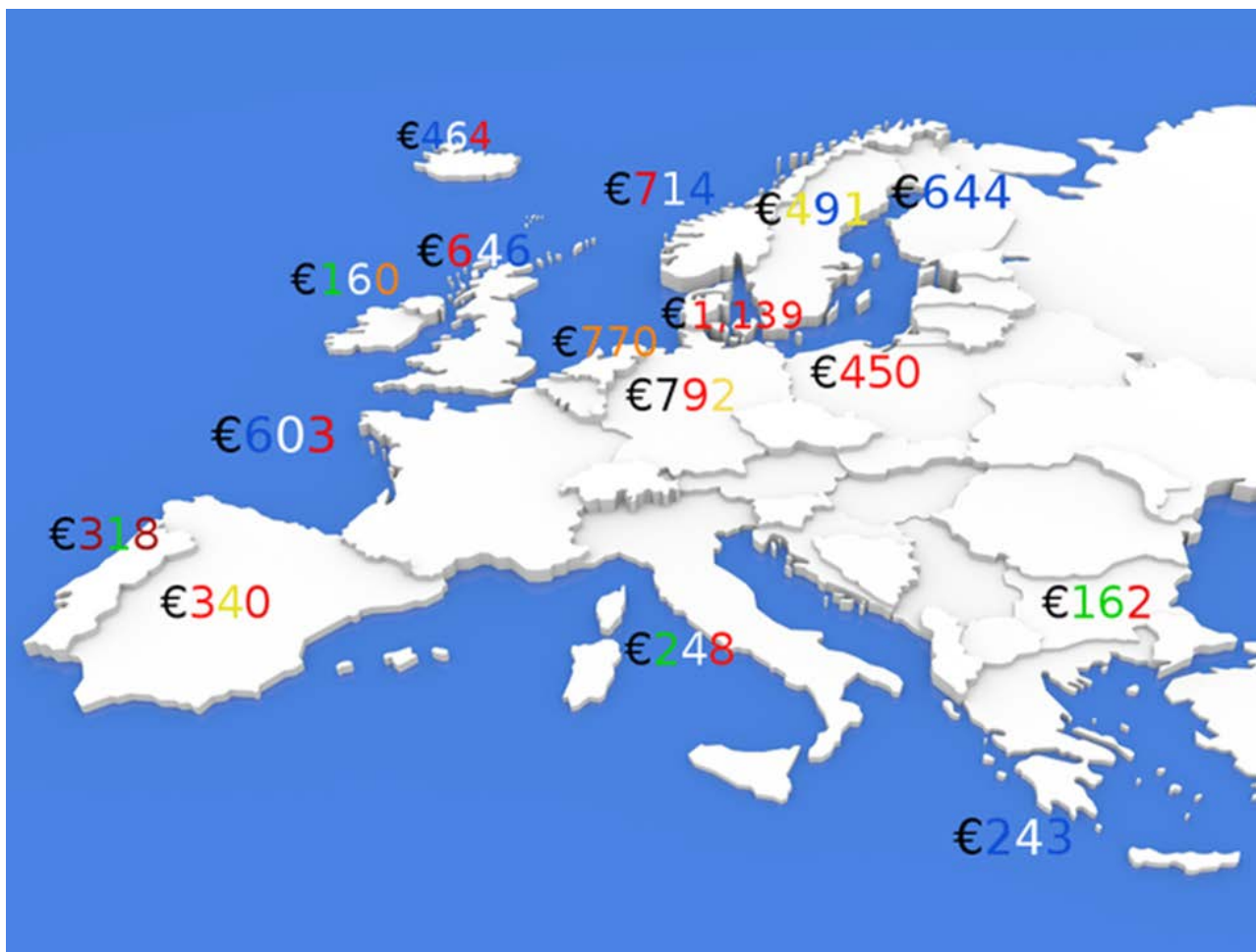
DESCRIPTION		2010	2011	2012	2013	2014	2015
1	Buildings	0.00	0.00	0.00	0.00	850.00	0.00
2A	Machinery & Other	759,200.07	664,109.04	205,589.14	824,447.23	366,033.60	476,656.92
2B	Installed Water Meters	128,586.01	114,950.44	110,763.99	443,665.28	404,443.38	193,049.91
3	Transportation	0.00	0.00	190,270.40	24,750.00	283,722.79	389,175.18
4	Furniture	116,552.52	137,374.43	99,647.92	333,981.86	151,738.85	221,733.95
5	Water Pipe Network	2,540,830.35	2,698,163.78	1,705,996.42	2,990,963.30	1,810,740.00	1,019,404.67
6	Sewerage Pipe Network	3,263,220.01	2,247,701.52	1,187,483.08	482,137.71	2,121,945.17	4,152,236.44
7	Network maintenance	10,216,785.64	11,698,814.67	12,675,824.47	14,095,933.33	14,547,260.78	15,519,927.43
8	R&D expenses	16,413.13	139,358.35	510,814.70	353,941.83	237,961.11	566,936.86
TOTAL		17,041,587.73	17,700,472.23	16,686,390.12	19,549,820.54	19,924,695.68	22,539,121.36
EXPENSES IN TOTAL CONCERNING INVESTMENTS & MAINTENANCE FOR FIXED ASSETS							113,442,087.66

Total Investments 2010 - 2015





Πηγή: <http://www.irishtimes.com/news/politics/irish-water-charges-cheapest-in-europe-under-revised-package-1.2007413>



Estimation : Average use of 180,000 lt of water per year of a four member family.

<http://www.thejournal.ie/water-charges-in-ireland-versus-europe-1789576-Nov2014/>



City	Average Charge (€)
Milan	0.40
Athens	0.78
Lisbon	0.85
Madrid	0.99
London	1.63
Paris	2.16
Munich	2.26
Copenhagen	3.28
Gothenberg	4.19
Gent	5.75

The average price in 65 cities in Western Europe is € 1.91 per 1,000 liters.

Many countries have a pricing structure 'block' ie the first 500 liters are charged at low or no cost and any higher 'block' the water is more expensive.

It is also noteworthy that the countries charged with increasing scale (mainly in the Mediterranean countries) tend to charge an average amount (€ 1.25) compared to those charged in a linear fashion (€ 2,20), ie charge the same rate for each liter of water.

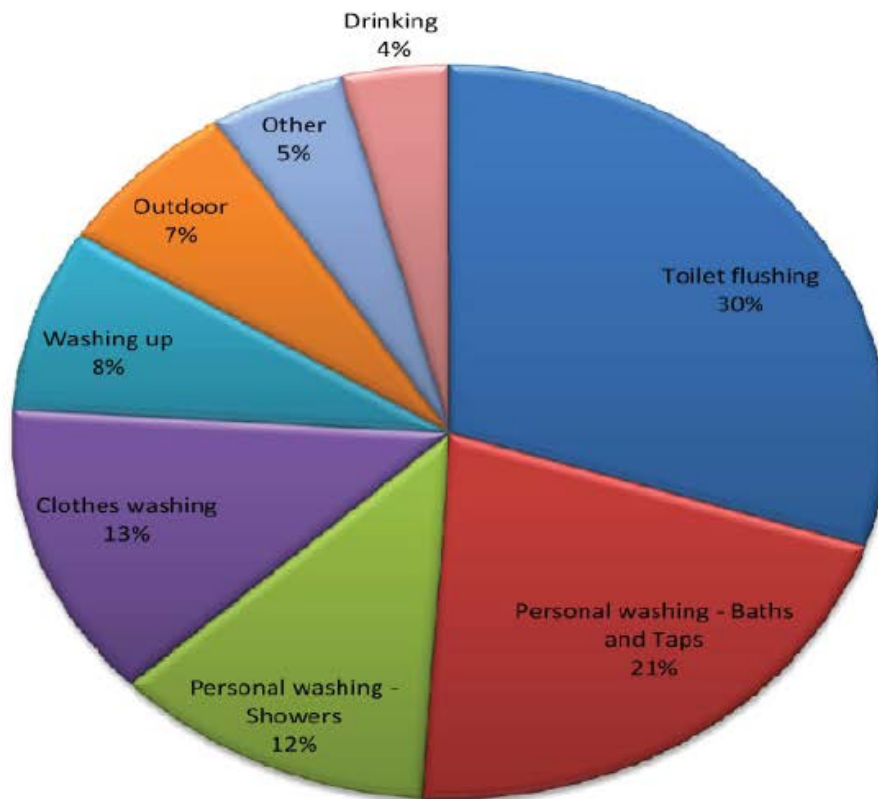
Source: [Global Water Intelligence Annual Tariff Survey September 2011.](#)



How you use water in your home

waterwise

Toilet flushing	30%
Personal washing - baths and taps	21%
Personal washing - showers	12%
Clothes washing	13%
Washing up	8%
Outdoor	7%
Other	5%
Drinking	4%



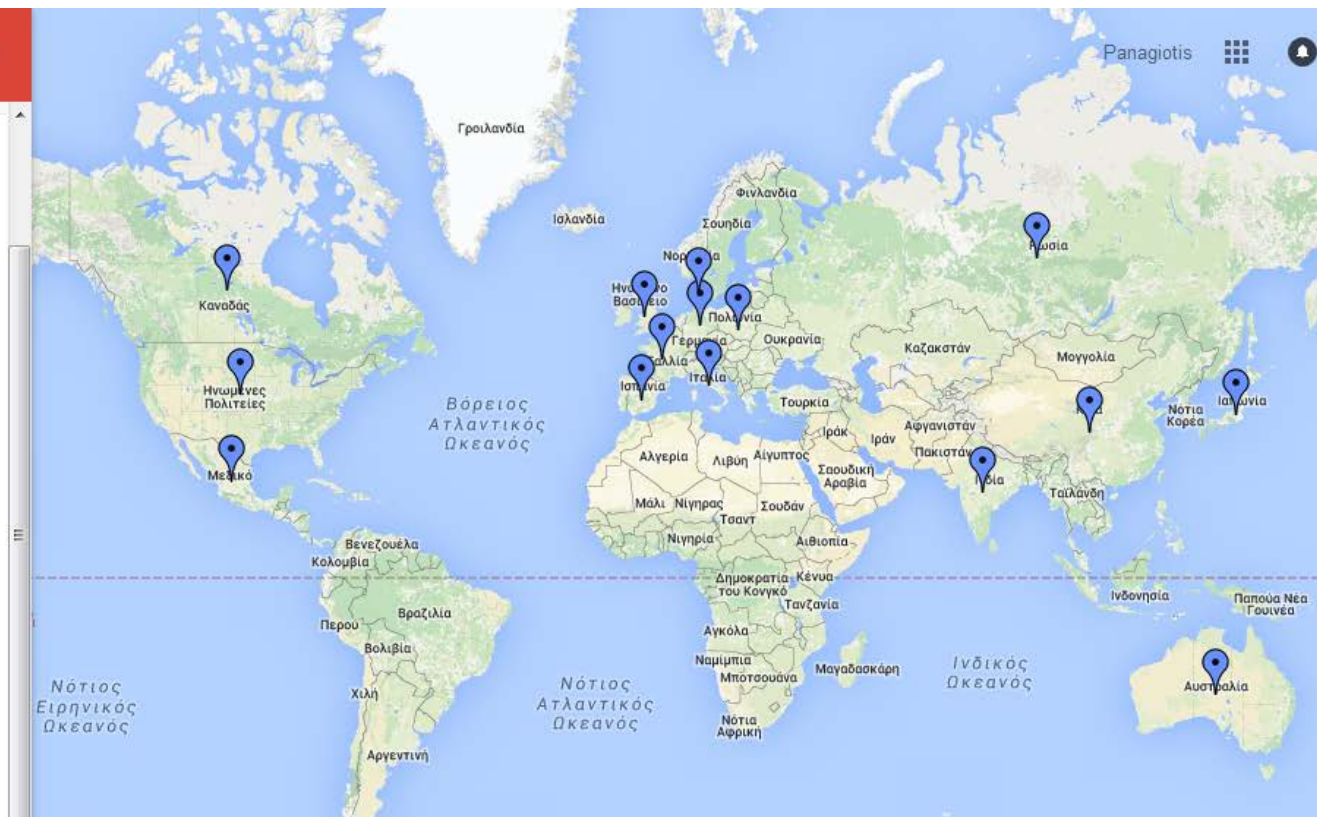


☰ Water charges - Europe... 🔍 ⋮



Untitled layer

- 📍 Canada - €2.57
- 📍 US - €2.40
- 📍 Mexico - €0.57
- 📍 Spain = €1.46
- 📍 UK - €3.37
- 📍 France - €3.17
- 📍 Germany - €4.28
- 📍 Italy - €1.24
- 📍 Poland - €2.24
- 📍 Denmark - €6.30
- 📍 Russia - €0.69
- 📍 India - €0.12
- 📍 China - €0.38



This material contains certain “forward-looking” statements. These statements reflect management’s current expectations based on economic conditions and fundamentals. This presentation serves only informative purposes and it does not form or can either be referred as a buy, sell or hold encouragement for shares or any other fixed income instruments (bonds, derivative instruments or other). This presentation belongs to E.Y.A.Th. S.A. Any reproduction, use, or distribution of this product is strictly forbidden without the written agreement of approval from the IRO of the Company. Directly translated from the original in Greek.





THESSALONIKI WATER SUPPLY & SEWERAGE Co S.A.