



# **Analysts Presentation June 2012**



### **Contents •**O

1. Vision	3
2. Targets	4
3. Strategy	5
4. Euro barometer 2012	6
5. The Company Today	12
6. Financial Results & Share	21
7. Growth Strategy	54
8. Reporting Table of the Business Plan	60







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 in conjunction with its shareholders wealth increase











Pan European Study based on the consumer attitude on water issues

**Aim**: The definition of today's lags and future priorities in water management

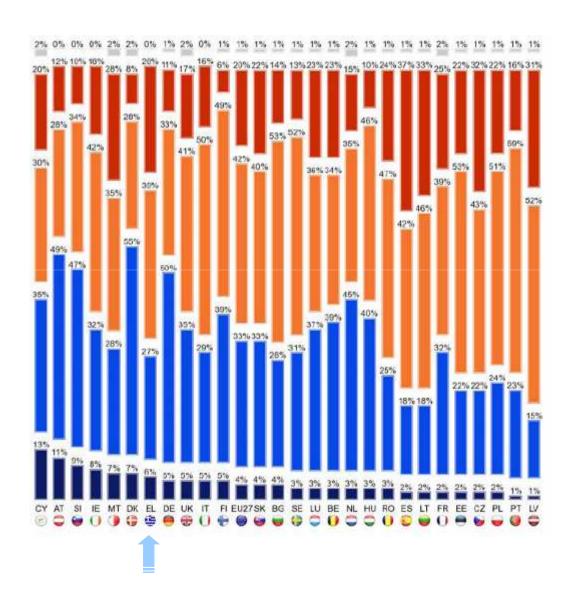
#### **Target** of the questionnaire:

- The level of knowledge in water issues
- The seriousness of the problems and the changes in water quality
- Opinions concerning the human operation in the water quality
- The main threats in water quality
- The pricing policy
- The most efficient methods in problem solving
- Legislation that must be adopted from EU

Source: http://ec.europa.eu/public opinion/index en.htm



### 



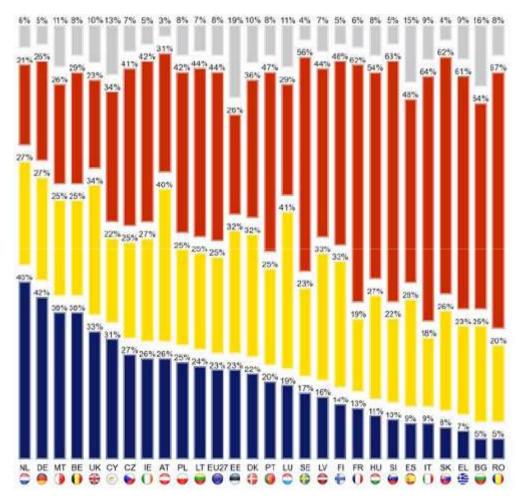


Paneuropean decrease by 6% from the 2009 levels in the 'Very Good' category



#### **Changes in the Water Quality •••**



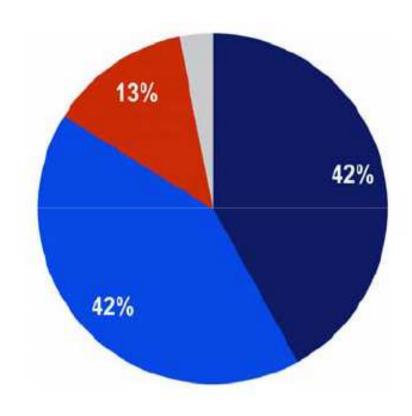


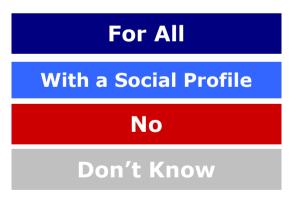


The majority believes that either improved or stayed the same



### **Single Pricing Policy •**• •

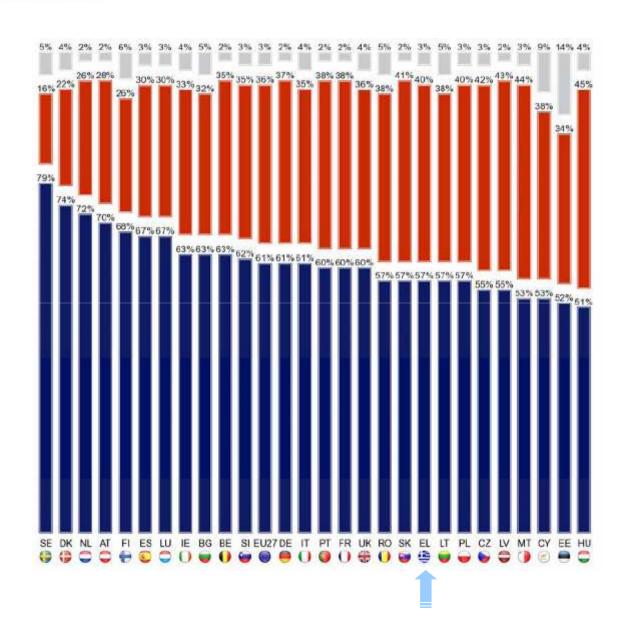






#### **Pricing Policy with an Environmental effect •**





**Agreed** 

**Non Agreed** 

**Don't Know** 





#### EYATh S.A.

- O In progress is the Investment Plan 2007-2011 of total value € 93.7 mil.
- Design and Implementation of the new Investment Plan 2012-2016
- Expansion of the customer base
- Telecom services through the pipes network & facilities
- Exploitation of renewable resources for energy production







#### **Strategy Implementation Framework • • • • •**



0000	Main axis for strategy planning remains the sustainability in growth as well as the choices for humanity
------	--





- Protection of the water sources and provision of excellent water quality
- **Protection of the environment**
- **Zero pollution of the Thermaikos Gulf**





### **2011 Important Facts •** • • • •

#### 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







### 

#### **Outcome of the management policies:**

- Audit and composition of budgets during 2010-2012 with accounts cross checking
- Completion of previous years liabilities
- Improvement of infrastructure and facilities
- Management of the biological treatment product and removal of 17 th. tones of dried sludge fro immediate use in agriculture.









Planed 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 opearation.







- Reuse of treated liquid sewerage in agriculture
- Enforcement of the production plant for biogas treatment from sludge and exploitation of its energy source it possesses
- Exploitation of the sewerage network with the installation of optic fibers network for the provision of telecom services
- Modernization of infrastructure and technological upgrade
- Expansion of activities in Northern Greece and the Balkan area





### **EYATh S.A. today •**O

➤ 250,000 m³ average daily water production

➤ 510,000 customers-consumers

2,200 th. pipe network length

➤ 120 sqm. service area

➤ 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

**EYATh S.A.** 

Raw water conveyance system:

**112 Facilities** 

4 Pumping stations

45 Storage Tanks

**Pipes Network** 

Water Treatment Quality Control

- 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





#### Consolidated Financial Results 2011 •••

- Company turnover reached €75.4 mil. in 2011 from €71.2 mil. in 2010 making an increase of 6%
- ➤ Costs of water sold reached €42.9 mil. in 2011 from €44.9 mil. in 2010 making a decrease of 4.46%
- Gross profit reached €32.5 mil. in 2011 from €26.3 mil. in 2010 making an increase of 23.65%
- ➤ Earnings before tax reached €26.1 mil. in 2011 from €20.9 mil. in 2010 making an increase of 24%.
- ➤ Earnings after tax reached €20.6 mil. in 2011 from €12.4 mil. in 2010 making an increase of 66%.
- ➤ EBITDA reached €28.8 mil. in 2011 from €24.8 mil. in 2010 making an increase of 16%
- Cash and equivalents reached €23.1 mil. in 2011 from €14.4 mil. in 2010 making an increase of 61%.
- Bank debt reached €0.6 mil. in 2011 from €1.2 mil. in 2010 making an increase of 50.1%

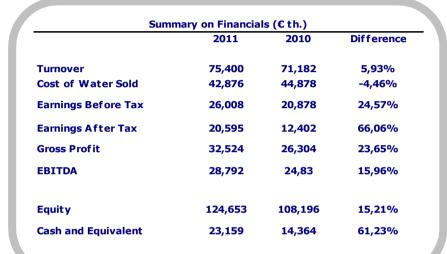


#### Financial Results 2011 • • • •

- The company turnover came mainly from sales of water and sewerage services.
- The turnover increase is mainly due to pricing adjustment in the levels of 2010.
- The increase of Net Earnings is due to the turnover increase, the further on decrease of the operating expenses and the decreases in tax expenses given that the previous fiscal year was burdened with the one off tax expenditure and from the provision for tax differences from the tax audit as was completed last August.



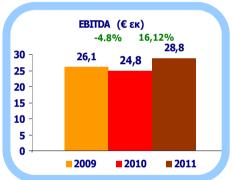
### **Income Finances 2011 • • • • •**



- Decrease of cost of sales due to rational management of production costs
- **→ Equity position increase**

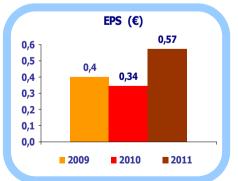














### **Balance Sheet 2011 •••**

		1
	2011	2010
(€ th.)		
Assets		
Non Current Assets	90.973	92.310
Current Assets	89.033	75.232
Total Assets	181.542	167.542
Equity	124.653	108.196
Debt	56.890	59.346
Total Liabilities	181.542	167.542



### **Cash Flow 2011 •••**

	2011	2010
(€ th.)		
Operating Activities	16.954	9.398
Investing Activities	- 3.453	- 4.984
Financing Activities	- 4.707	- 5.217
Cash - beginning	14.364	15.166
Cash - end	23.159	14.364
Cash - increase / decrease	- 8.795	- 802



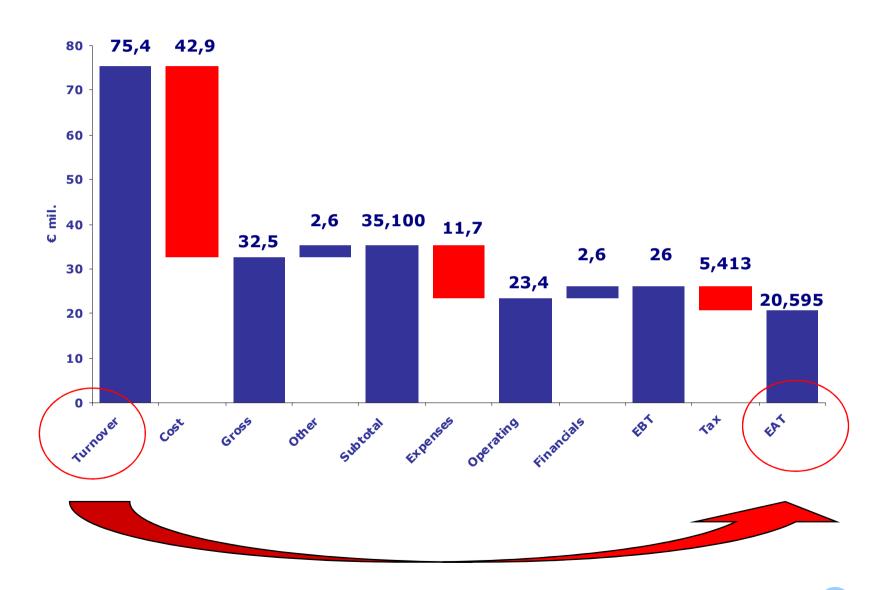
### Financial Ratios 2011 •••

2011	2010	2009	2008
43,14%	36,95%	39,19%	40,97%
31,06%	26,71%	26,57%	26,82%
20,86%	19,30%	21,96%	24,11%
14,33%	12,46%	13,99%	14,85%
2,76%	2,18%	2,28%	2,02%
219,11%	182,32%	175,52%	160,31%
0,57	0,34	0,40	0,42
	43,14% 31,06% 20,86% 14,33% 2,76% 219,11%	43,14%       36,95%         31,06%       26,71%         20,86%       19,30%         14,33%       12,46%         2,76%       2,18%         219,11%       182,32%	43,14%       36,95%       39,19%         31,06%       26,71%       26,57%         20,86%       19,30%       21,96%         14,33%       12,46%       13,99%         2,76%       2,18%       2,28%         219,11%       182,32%       175,52%



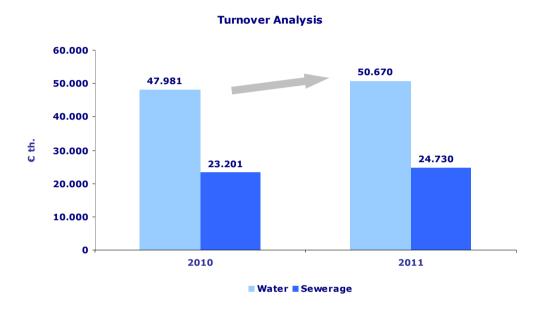
### **Turnover Evolution 2011 •••**

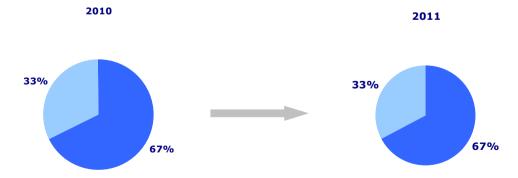






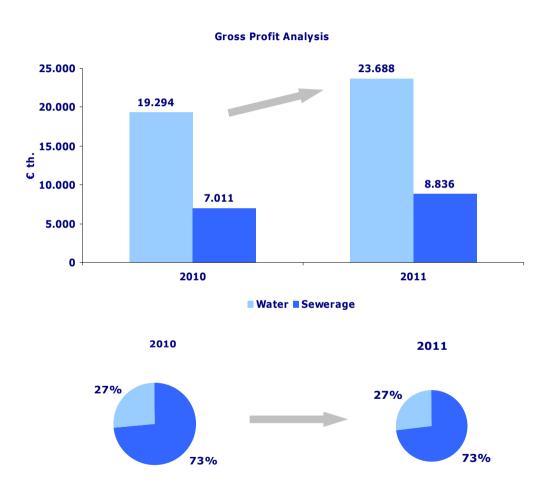
### **Turnover Analysis •••**



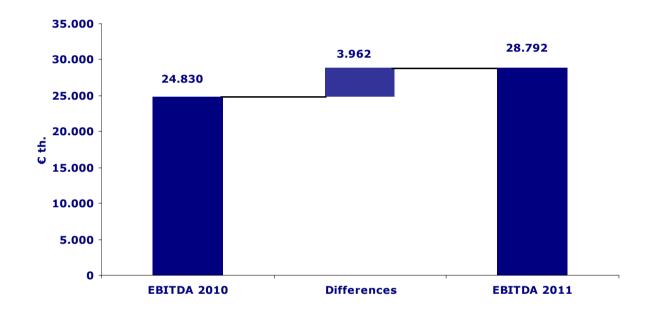




### **Gross Profit Analysis •**<



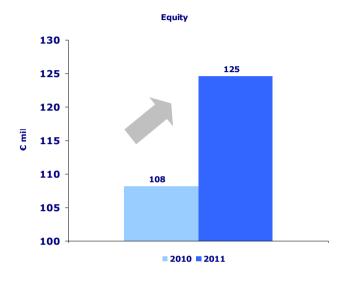


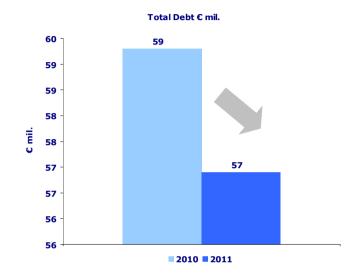


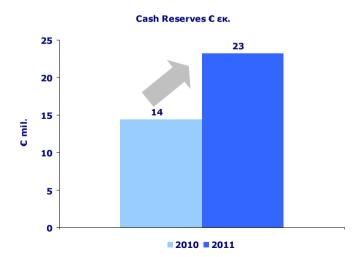
 $\rightarrow$  416% decrease in the level of EBITDA in 2011 compared to 2010

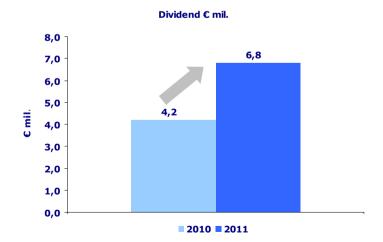


# **Cash Position •**



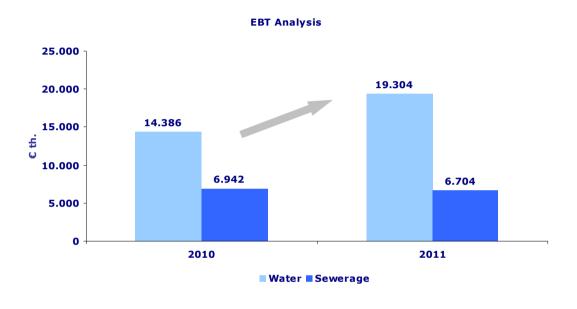


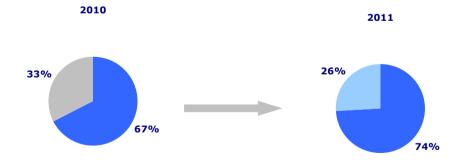






## **EBT Analysis •••**

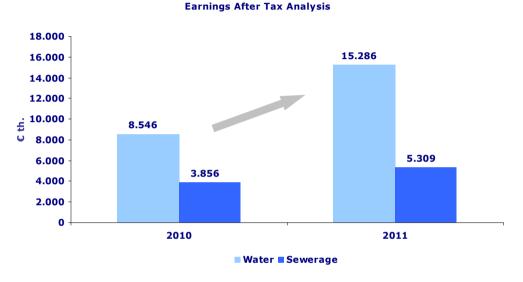


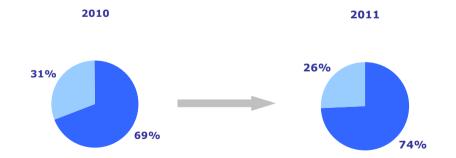




### **Earnings After Tax Analysis •••**

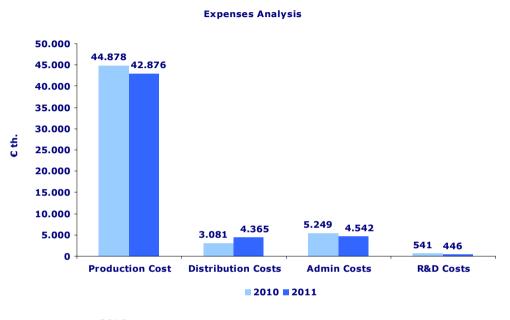


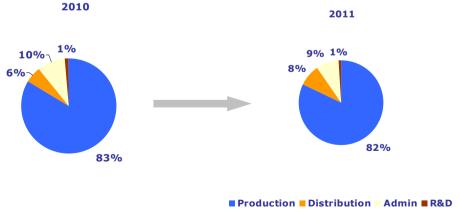






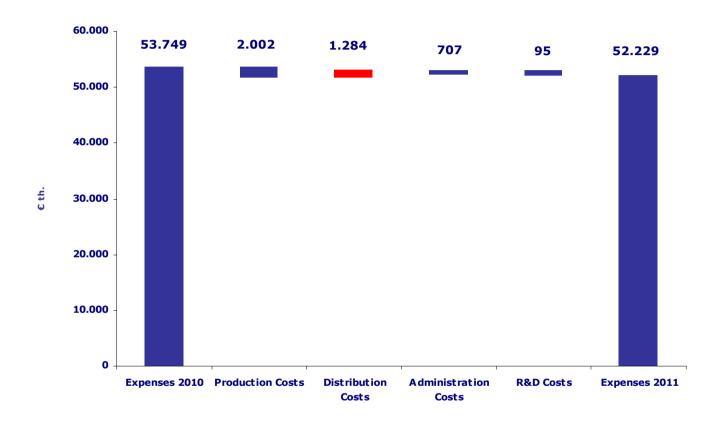
### **Expenses Analysis •**•







### **Costs Reconciliation •**



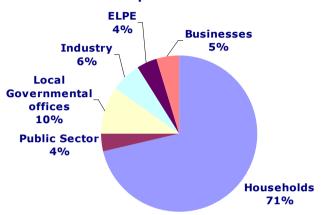
→ 4.46% expenses decrease in 2011 compared to 2010



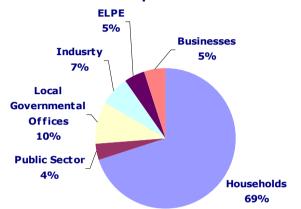
# **Consumption distribution •**



#### **Water Consumption Breakdown 2011**



#### **Water Consumption Breakdown 2010**



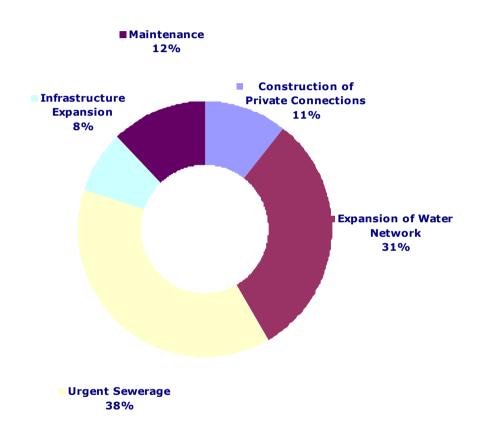
2011	2010	%
43,4	43,4	0,00%
2,4	2,4	0,00%
6	6	0,00%
3,9	4,2	-7,14%
2,5	2,9	-13,79%
3	3,1	-3,23%
60,8	62	-1,94%
	43,4 2,4 6 3,9 2,5 3	43,4 43,4 2,4 2,4 6 6 3,9 4,2 2,5 2,9 3 3,1



# **Analysis of Completed Works •**• •



#### **Works Completed in 2011**

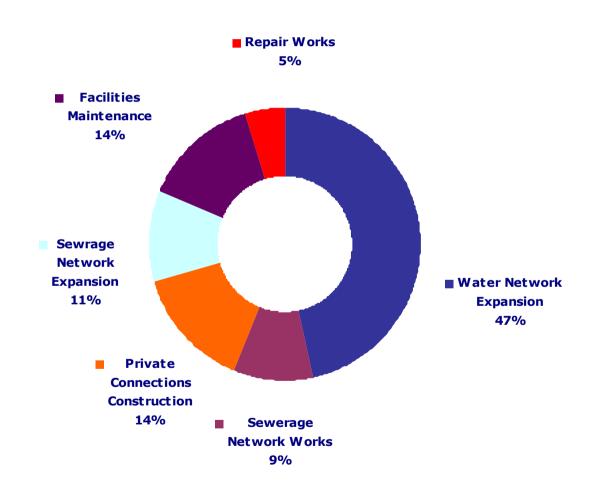




# **Analysis of Works in Progress •**• •



#### Works is the process 2011





### **Consolidated Financial Results 3M 2012 • • • •**



- Cost of goods sold reached €10.4 ml. in 3M 2012 from €10.7 mil. in 3M 2011 which is a decrease of 2.25%.
- Gross profit reached €8.8 mil. in 3M 2012 from €8.9 mil. in 3M 2011 a decrease of 0.90%.
- Operating income reached €7.1 mil. in 3M 2012 from €6.8 mil. in 3M 2011 succeeding an increase of 4.9%.
- Earnings before taxes reached €7.9 mil. in 3M 2012 from €7.3 mil. in 3M 2011 succeeding an increase of 8.2%.
- Earnings before tax reached €6.3 mil. in 3M 2012 from €5.5 mil. in 3M 2011 succeeding an increase of 12.8%.
- **O** Earnings per share finalized at €0.17226 in 3M 2012 from €0.1530 in 3m 2011.

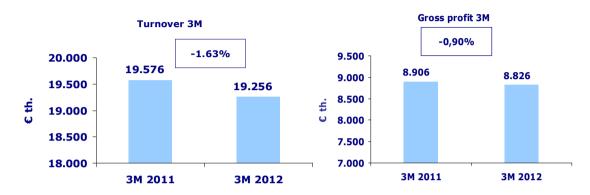


#### Consolidated Results 3M 2011 • • • •



#### **Consolidated Financial Results (€ th.)**

	3M 2012	3M 2011	Change
Turnover	19,256	19,576	-1,63%
Cost of Goods Sold	10,430	10,670	-2,25%
Gross Profit	8,826	8,906	-0,90%
Earnings Before tax	7,886	7,285	8,25%
Earnings After tax	6,266	5,555	12,80%
EPS	0,1726	0,153	12,81%



- **→** Continuation of cost management rationalization decreases cost of goods sold
- **→** Earnings per share increase





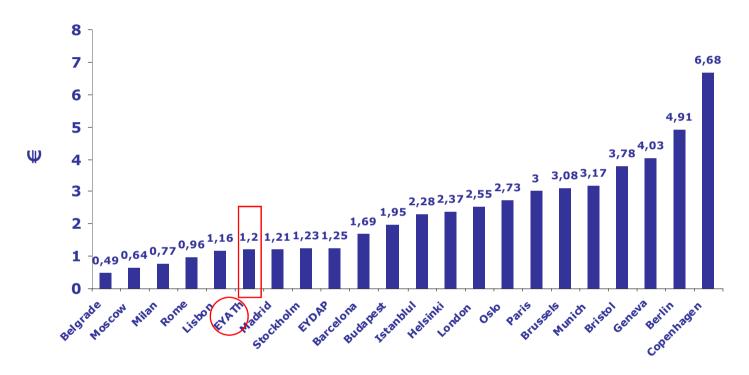
### 

- ➤ New 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 2011the prices as for 2010.



# **Pricing Policy •••**

#### **Pricing Policy (€)**



Source: Pan European Tariff Survey - GWI/OECD 2009

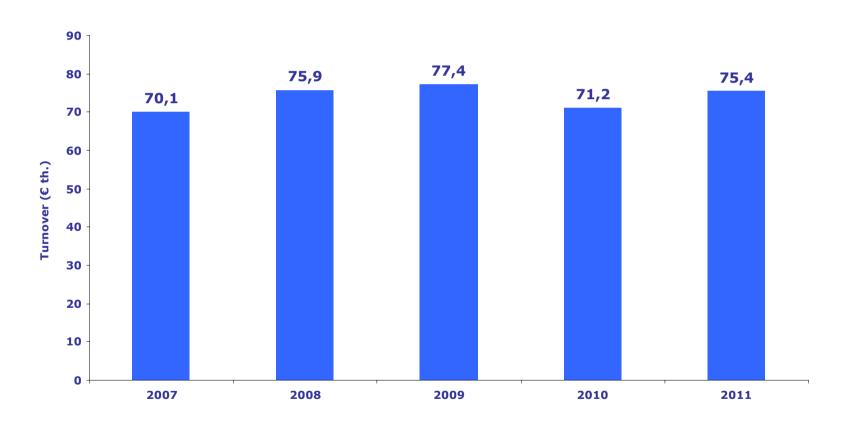


# **5 year Financial Results ••••**

Results	2007	2008	2009	2010	2011
Turnover	70.100	75.919	77.376	71.182	75.400
Costs	45.757	44.693	47.054	44.878	42.876
Gross Profit	24.343	31.226	30.322	26.304	32.524
Other Income	7.188	4.037	4.748	3.406	2.635
	31.531	35.263	35.070	29.710	35.159
Administrative Expenses	7.596	7.668	7.489	5.249	4.542
R&D Expenses	1.094	496	314	541	446
Distribution Expenses	3.737	3.871	5.745	3.081	4.365
Other Operational Expenses	2.271	2.888	962	1.826	2.389
Operational Profit	16.833	20.340	20.561	19.013	23.416
Financing Costs	653	1.660	1.533	1.865	2.592
EBIT	17.486	22.000	22.093	20.878	26.008
Investment Income	0	0	0	0	0
EBT	17.486	22.000	22.093	20.878	26.008
Taxation	4.745	6.885	7.703	8.475	5.413
Earnings After Tax	12.741	15.116	14.390	12.402	20.595

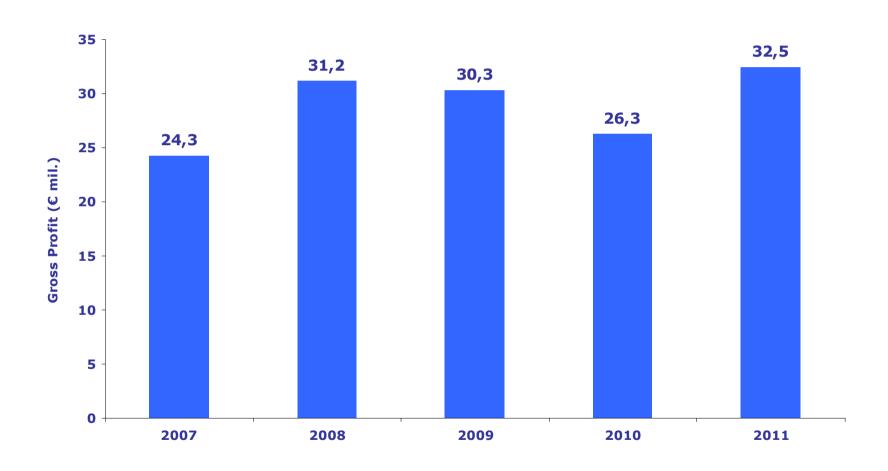


# year Turnover •••





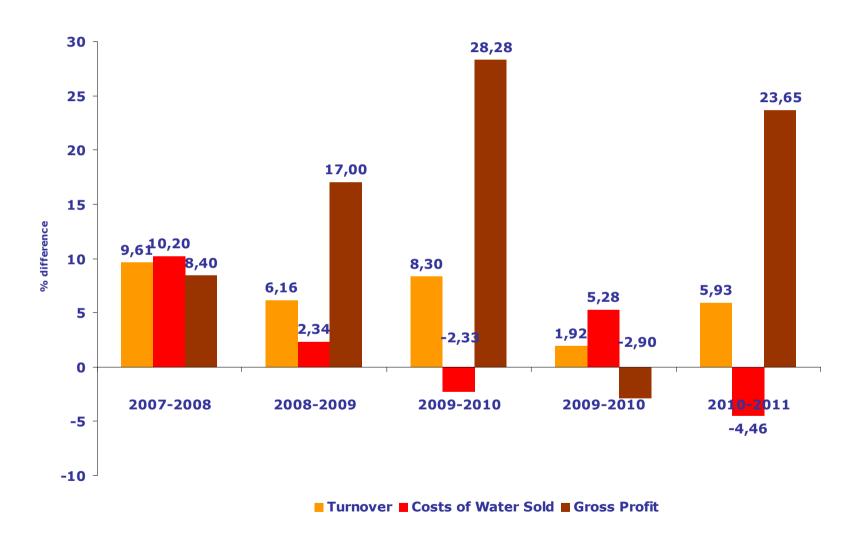
# year Gross Profit • • • • •





# **5** year Financial Results • • • • •







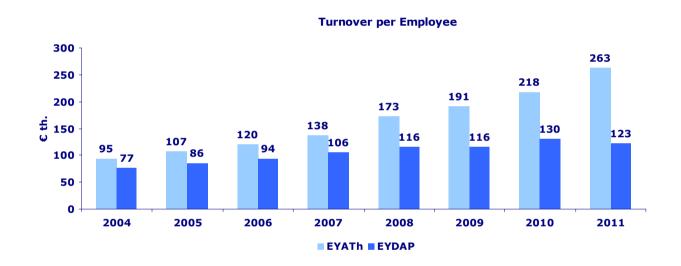
## **EYATh S.A.** in numbers ••••



→ 19% decrease in personnel in 2010 compared to 2009



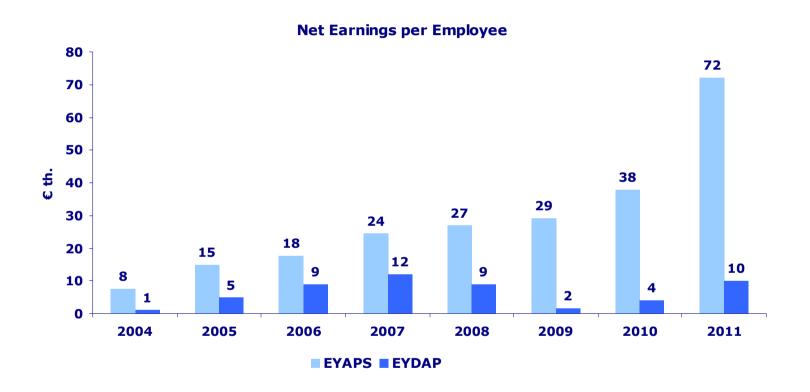
## **EYATh S.A.** in numbers ••••



 $\rightarrow$  21% increase in the turnover per employee in 2011 compared to 2010



## **EYATh S.A.** in numbers ••••



→ 89% increase in the net earnings per employee in 2011 compared to 2010





Established: 1998

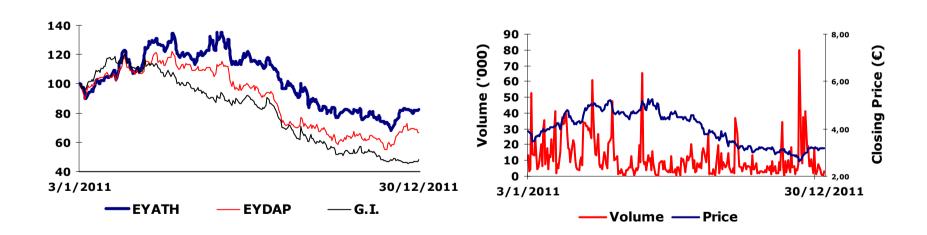
**IPO:** 2001

**Reuters Code: TWSr.AT** 

**Bloomberg Code: EYAPS:GA** 

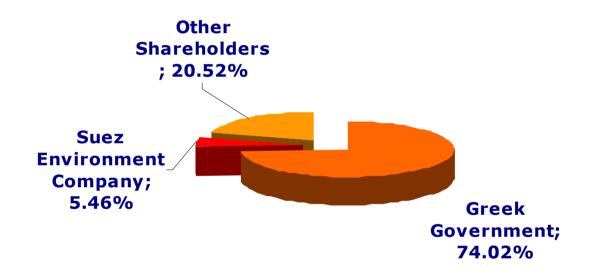
Market Cap. 31/12/2011: € 116.1 mil.

No, of Shares: 36,300,000 ASE Category: Large Cap





# **Shareholding structure ••••**







	Sector					
	Market Cap.	P/E 11(x)	P/E 12(x) estimation	EV/EBITDA 11(x)	Dividend Yield (%)	
EYATh	€ 119 mil.	5.8	6.8	3.25	5.7	
EYDAP	€ 331 mil.	12.9	12.9	6	5.5	
Pennon Group (UK)	\$ 2.6 bil.	15.3	-	-	3.4	
Acqua America (USA)	\$ 3.1 bil.	24	23.2	12.1	2.7	
Veolia (France)	€ 5.5 bil.	-	15.2	9.9	6.7	
Severn Trent (UK)	\$ 3.9 bil.	16.3	19.2	8.4	4.5	

Source: Bloomberg





## **Strategy - Actions •**

- > 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



# **Co-operation with 'Aquas de Portugal' •**



#### Memorandum of intent in order to:

- > Investigate the development of joint actions in Northern Greece and the Balkans
- > Sharing of expertise and staff training
- > Provision of operational and advisory services in water, sewerage, solid waste and renewable energy applications





# **Organic Growth Strategy** •••

	Targets	Strategy
Water Supply	<ul> <li>→ Efficient Resource         Management</li> <li>→ Network Modernisation</li> </ul>	<ul> <li>Investments improving capacity</li> <li>Use of alternative water resources</li> <li>Optimization of Quality Control</li> <li>Implementation of exquisite technological methods</li> </ul>
Sewerage Network	<ul> <li>→ Geographical Network         Expansion</li> <li>→ Protection of the Thermaikos         Bay</li> </ul>	<ul> <li>Sewerage network construction</li> <li>Subsequent maintenance and precaution program</li> <li>Implementation of environmental friendly technologies</li> <li>Anti flood protection</li> </ul>



### **Organic Growth Strategy** •••





## **Non Organic Growth Strategy** •••

### **Targets**

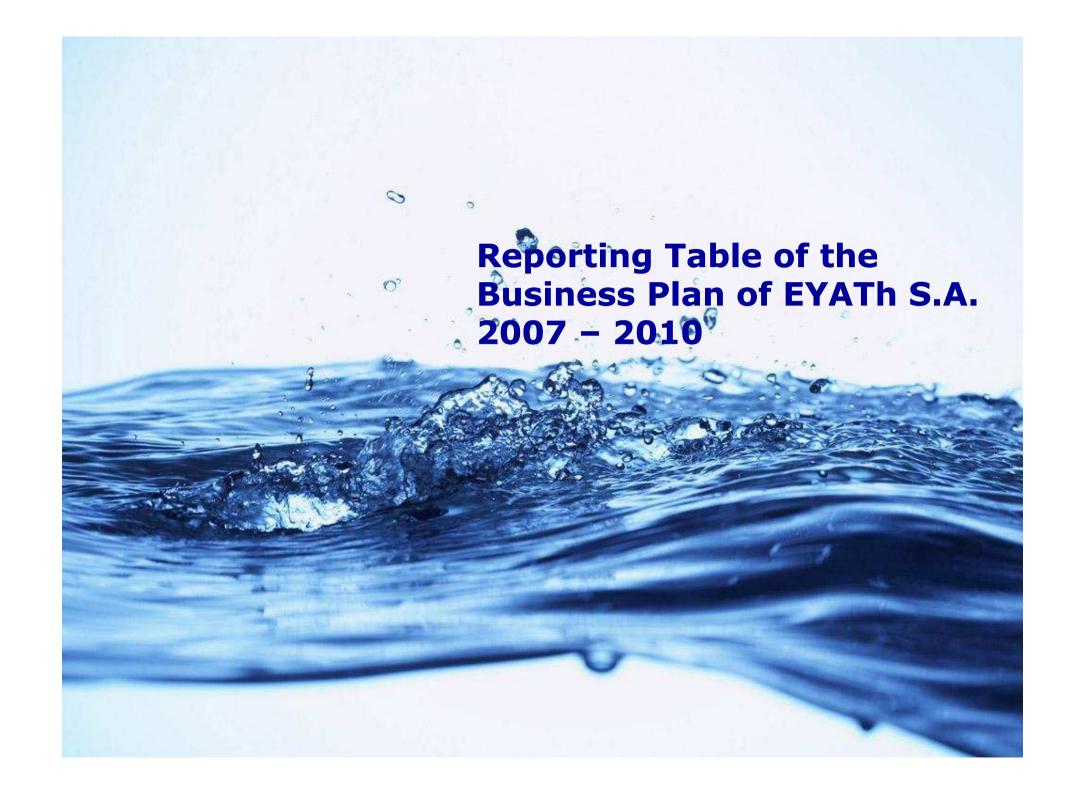
**→ Customer Base Expansion** 

#### New Business Units

→ New services based on EYATh's competitive advantages and existing client base

#### **Strategy**

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







STATEMENT OF INVESTMENTS 2077-2011							
	DESCRIPTION	2007	2008	2009	2010	2011	
1	Buildings	335.064,67	465.403,36	0,00	0,00	0,00	
2a	Machinery - technical facilities & Other mechanological equipment	256.211,87	125.305,97	142.205,70	759.200,07	664.109,04	
2β	Water meters	575.700,67	924.146,09	280.298,40	128.586,01	114.950,44	
3	Transportation	0,00	4.865,95	0,00	0,00	0,00	
4	Furniture & Other	193.207,02	441.486,74	306.516,68	116.552,52	137.374,43	
5	Pipes & Technical facilities of water network	4.683.776,70	3.475.380,79	3.604.693,41	2.540.830,35	2.698.163,78	
6	Pipes & Technical facilities of sewerage network	4.517.404,79	3.913.417,83	3.101.196,74	3.263.220,01	2.247.701,52	
7	Network maintenance	11.143.004,24	9.387.363,26	9.879.692,10	10.216.785,64	11.698.814,67	
8	R&D expenses	752.632,49	246.351,13	186.281,76	16.413,13	139.358,35	
	TOTAL	22.457.002,45	18.983.721,12	17.500.884,79	17.041.587,73	17.700.472,23	
	TOTAL EXPENDITURE CONCERNING MAINTENANCE OF FIXED	93.683.668,32					





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.





