

April 2018



Presentation of 2017 financial results



Vision

*Universal, equal access for all to
clean water and an
environmentally safe
sewerage network*

&

Mission

*The company's mission is to offer
quality, comprehensive water
supply and sewerage services by
utilising, improving and extending
its infrastructure, through
sustainable environmental
management practices.*



Strategic Objectives



To ensure uninterrupted and safe operation of all water supply systems by providing top quality water



To develop the company as an efficient manager of water resources, protecting the environment in the wider Thessaloniki and Thermaikos Bay area



To improve customer service by offering top class water supply and sewerage services at the least possible cost



To combine business activity with social responsibility via the social tariff and the debt repayment policy

Strategic Objectives



**To expand the geographical area within which water supply and sewerage services are provided
- to increase the number of households & businesses covered**



To upgrade infrastructure to improve the productivity of existing systems, which will lead to lower operating costs for the company, especially energy costs



**To invest in the local community
Giving something back, providing information as well as educational and cultural support in the context of Corporate Social Responsibility**

Strengths



In 2017 ...

... we continued flood protection works in Thessaloniki, cleaning out water drains and checking the rainwater network, which is not something within EYATH's remit.

... we launched an international tender procedure and chose a contractor to remove 53,000 tn of sludge from the Waste Water Treatment Plant

... we installed 3,200 new water meters and replaced a total of 6,500 old water meters

... we completed refitting works at the waste treatment plant and trial operations have commenced

... accreditation of the water supply / sewerage labs in accordance with ISO 17025:2005 was completed

... 3,000 tests were carried out on samples of water and 1.500 tests were carried out on waste water samples, with 44,000 analyses in all being conducted

2018-2024 Investment Plan priorities

01. **Construction of the extension to the water treatment plant**
02. Maintenance of the Aravissos aqueduct
03. **Installation of the water supply / sewerage SCADA system**
04. Chemical lab equipment
05. **Replacement of water meters**
06. Replacement of water supply & sewerage pipes
07. **Repair of final settlement tanks at the Waste Water Treatment Plant**
08. Rebuilding of sewerage pumping stations
09. **Improvement of water supply / sewerage infrastructure operations**
10. Property development - building programme



2018-2024 Investment Plan

Investment sector (<i>amounts in € '000</i>)	2018	2019	2020	2021	2022	2023	2024	Total
Water Treatment Plant	-	6.715	10.795	13.847	90	40	40	31.527
Water supply network - Maintenance of the Aravissos aqueduct	-	-	-	-	7.689	311	-	8.000
Water supply network	1.943	11.303	24.026	10.583	8.948	10.142	3.915	70.860
Water supply network - water meters	-	-	3.400	3.400	3.400	3.400	3.400	17.000
Sewerage network	760	5.680	6.160	4.290	3.250	3.050	3.250	26.440
Waste Water Treatment Plant	240	635	735	885	2.035	535	35	5.100
Automation - Computerisation	300	800	700	700	200	200	200	3.100
Property development - building programme	131	685	1.450	4.350	5.100	2.300	900	14.916
Total	3.374	25.818	47.267	38.055	30.711	19.978	11.740	176.944



2017 key financials

EBITDA margin

40.20 %

EBITDA

€ 29.51 mill.

Turnover

€ 73.40 mill.

Earnings before tax

€ 24.93 mill.

Working Capital

€ 104.70 mill.

Gross profit margin

41.60 %

Presentation of Financial Statements

Summary

	GROUP		COMPANY	
<i>(amounts in thousands) €</i>	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Turnover	73.401	73.278	73.401	73.278
Gross profit	30.143	29.496	31.605	30.241
Profits from operating activities	23.288	20.496	23.552	20.298
Earnings before tax	24.931	21.769	25.194	21.568
Profit after tax	16.449	12.457	16.794	12.331
EBITDA	29.512	26.501	29.776	26.303

	GROUP		COMPANY	
<i>(amounts in thousands) €</i>	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Non-current assets	84.267	85.933	84.326	85.992
Current assets	116.083	105.766	115.776	105.421
Total assets	200.350	191.699	200.102	191.413
Total equity	162.424	154.155	162.408	153.795
Total long-term liabilities	26.548	27.254	26.017	27.254
Total short-term liabilities	11.377	10.288	11.677	10.364
Total liabilities and equity	200.349	191.697	200.102	191.413
Working Capital	104.706	95.478	104.099	95.057

Statement of financial position

Assets (Group)

(Amounts in € '000)	31/12/2017	31/12/2016	Change	%
ASSETS				
Non-current assets				
Tangible assets	76.878	80.275	(3.397)	(4,2)%
Intangible assets	342	401	(59)	(14,7)%
Deferred tax assets	3.133	3.376	(243)	(7,2)%
Other long-term assets	3.914	1.880	2.034	108,2%
	84.267	85.932	(1.665)	(1,9)%
Current assets				
Stocks / inventories	1.620	1.336	284	21,3%
Trade and other receivables	49.253	47.732	1.521	3,2%
Cash and cash equivalents	65.210	56.697	8.513	15,0%
	116.083	105.765	10.318	9,8%
Total assets	200.350	191.697	8.653	4,5%

Material changes

Other long-term assets

- New contract with the Municipality of Hortiatís Water Supply and Sewerage Enterprise signed to settle repayment of its debts.
- Increase in the number of debt repayment plans with customers.

Trade and other receivables

- The change is primarily due to the long-term aspect of repayment plans being classified as other long-term assets.

Cash and cash equivalents

- The increase is primarily due to reduced tangible asset purchases.

Statement of financial position

Liabilities (Group)

(Amounts in € '000)	31/12/2017	31/12/2016	Change	%
EQUITY AND LIABILITIES				
Share capital	40.656	40.656	-	-
Retained earnings	89.873	82.448	7.425	9,0%
Other reserves of equity	31.895	31.051	844	2,7%
	162.424	154.154	8.270	5,4%
Long-term liabilities				
Grants	1.994	2.345	(351)	(15,0)%
Provisions for contingencies and expenses	8.246	8.888	(642)	(7,2)%
Provision for compensating staff retiring from service	1.892	1.998	(106)	(5,3)%
Other long-term liabilities	14.417	14.024	393	2,8%
	26.549	27.255	(706)	(2,6)%
Short-term liabilities				
Suppliers and other liabilities	10.973	9.712	1.261	13,0%
Current tax liabilities	405	576	(171)	(29,7)%
Total short-term liabilities	11.378	10.288	1.090	10,6%
Total liabilities	37.927	37.543	384	1,0%
Total liabilities and equity	200.351	191.697	8.654	4,5%

Material changes

Other reserves of equity

- Statutory reserve

Provisions for contingencies and expenses

- A drop in the provision for open tax years of € 500 k due to final tax audit reports being issued. By tax authorities
- Additional provision posted for the social security inspection for the subsidiary EYATH Services (€ 537 k)
- A drop in the provision for litigation due to decisions issued in favour of EYATH in cases for which a provision had been raised.

Suppliers and other liabilities

- Delays compared to 31.12.2016 in payment of supplier and creditor balances (primarily EYATH Fixed Assets).

Statement of Comprehensive Income

Group

(Amounts in € '000)	31/12/2017	31/12/2016	Change	%
Turnover	73.401	73.278	123	0,2%
Cost of sales	(43.258)	(43.782)	(524)	(1,2)%
Gross profit	30.143	29.496	647	2,2%
Other income	3.039	4.553	(1.514)	(33,3)%
Selling expenses	(4.566)	(4.417)	149	3,4%
Administrative expenses	(3.814)	(4.213)	(399)	(9,5)%
Research and development expenses	(148)	(491)	(343)	(69,9)%
Other operating expenses	(1.367)	(4.432)	(3.065)	(69,2)%
Profits / (losses) from operating activities	23.287	20.496	2.791	13,6%
Net financial results	1.643	1.272	371	29,2%
Earnings / (losses) before tax	24.930	21.768	3.162	14,5%
Income tax	(8.481)	(9.311)	(830)	(8,9)%
Profits / (losses) after taxes (A)	16.449	12.457	3.992	32,0%
EBITDA	29.512	26.501	3.011	11,4%
Other comprehensive income				
Actuarial gains / (losses) after tax	96	105	(9)	(8,6)%
Other total income after tax (B)	96	105	(9)	(8,6)%
Total comprehensive income (A+B)	16.545	12.562	3.983	31,7%
Earnings per share (in € per share)				
	0,4532	0,3432	0,1100	32,1%

Material changes

Turnover

- Rise in consumption offset by issuing credit notes worth € 800 k due to the frosts.

Other operating income

- In the previous period free water to EYATH S.A. pensioners was terminated and so the relevant liability (€ 1,5 million) was reversed on 31.12.2016.

Expenses

- Rise in payrolling costs (€ 670 k) set off by completion of repairs to the biological reagents at the waste water treatment plant (€ 1,3 million).

Other operating expenses

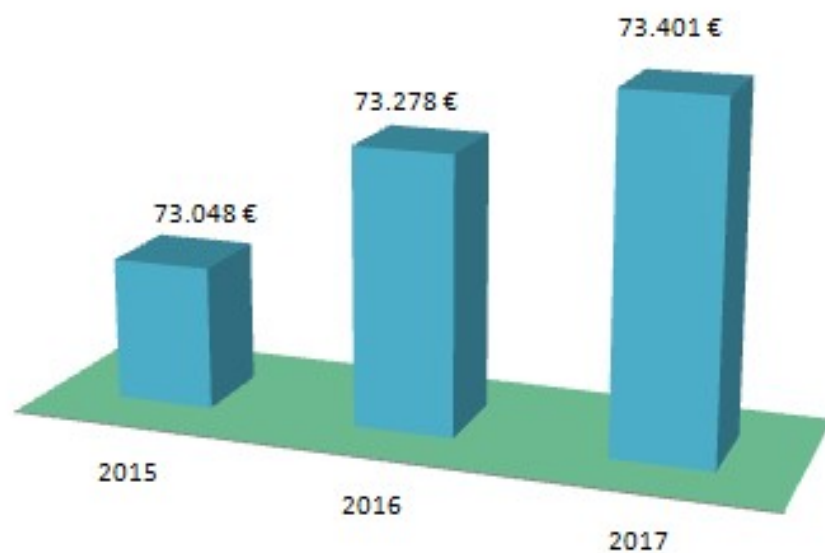
- Provisions were formed in the previous period for potential future fines which will arise from social security inspections and litigation (€ 3 million).

Financial income

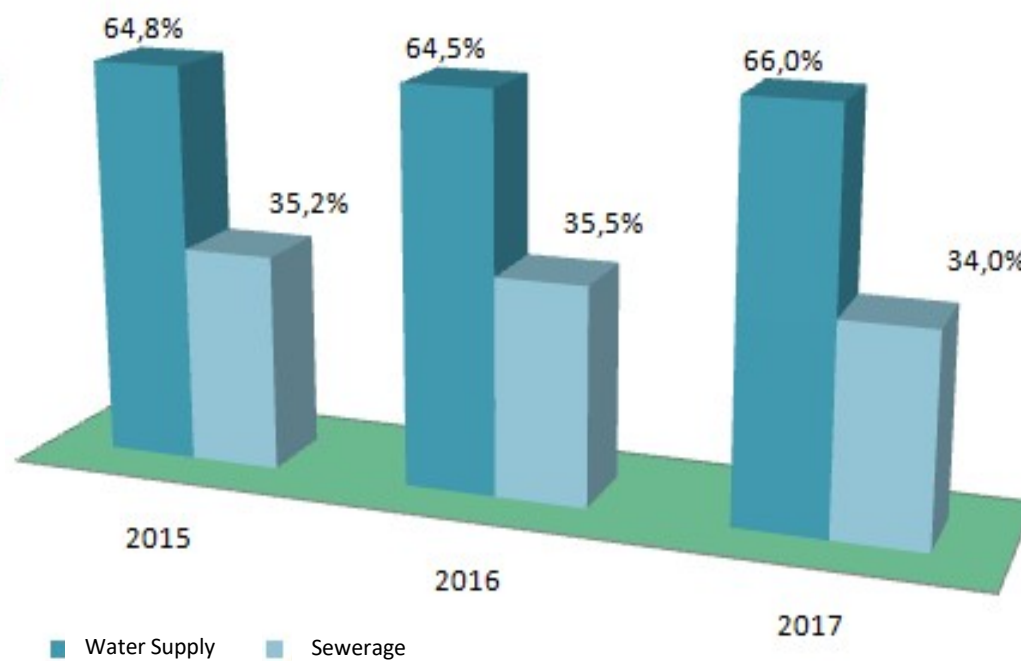
- Rise in revenues from interest earned by achieving better interest rates on time deposits

Turnover

Change in turnover 2015-2017



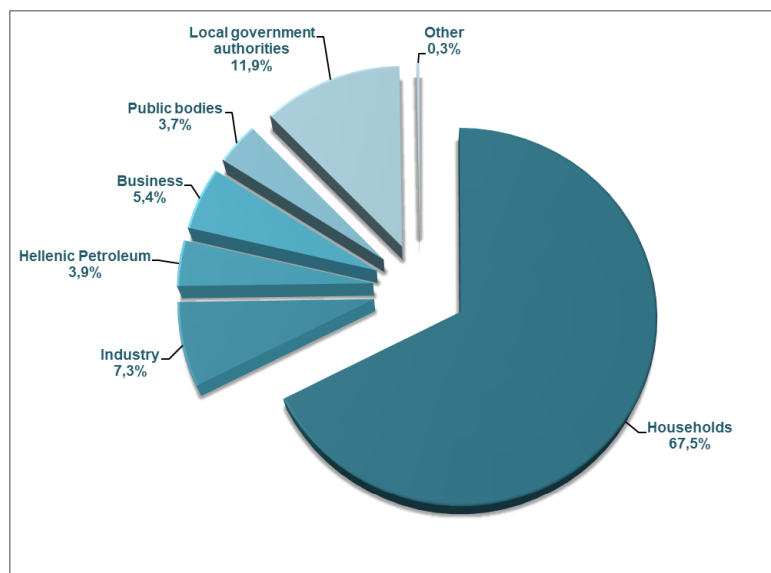
Revenue breakdown 2015-2017



amounts in € '000

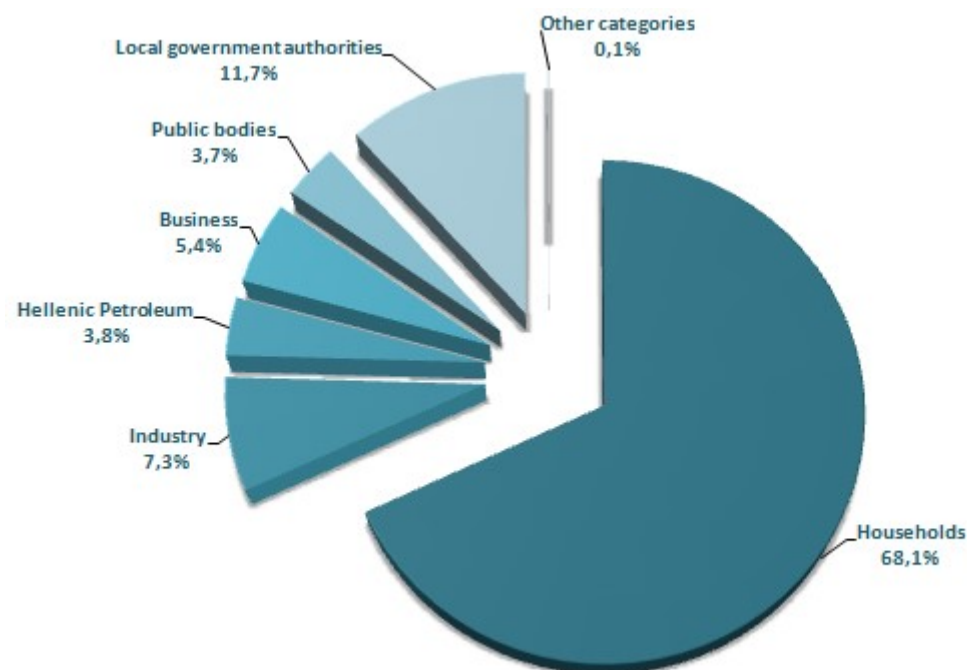
Consumption data analysis

2017



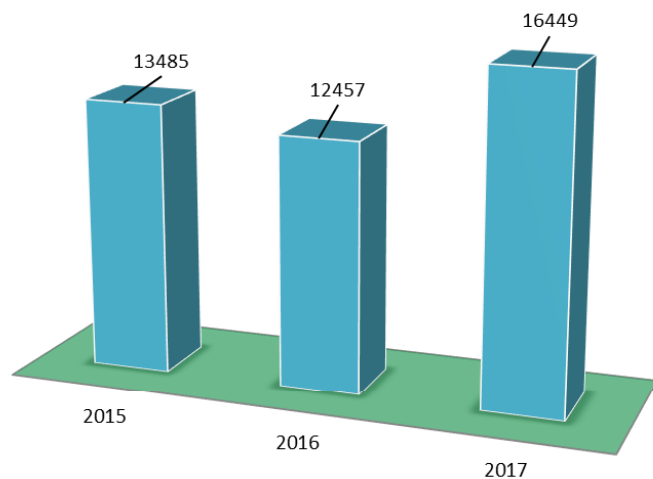
Consumption category (in thousands of m³)	Consumption in 2017	Consumption in 2016
Households	38,280	37,997
Industry	4,121	4,091
Hellenic Petroleum	2,239	2,103
Business	3,078	2,990
Public bodies	2,090	2,049
Local government authorities	6,749	6,502
Other	153	47
TOTAL	56,711	55,779

2016

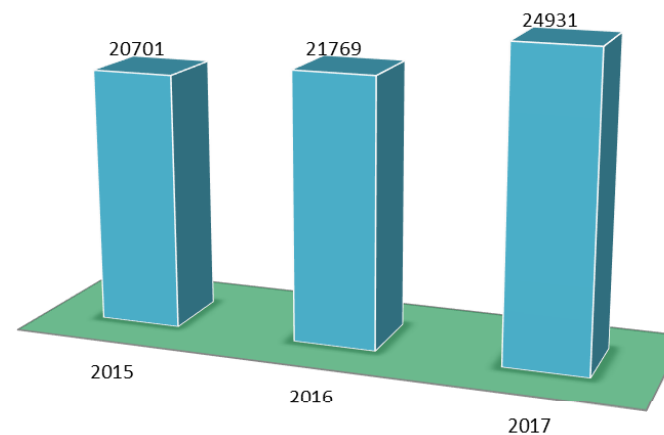


Change in profits

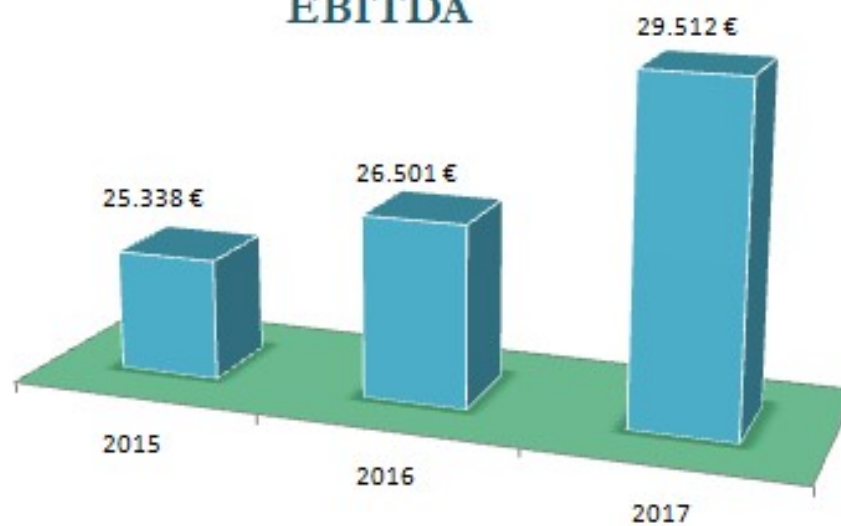
Earnings after tax



Earnings before tax



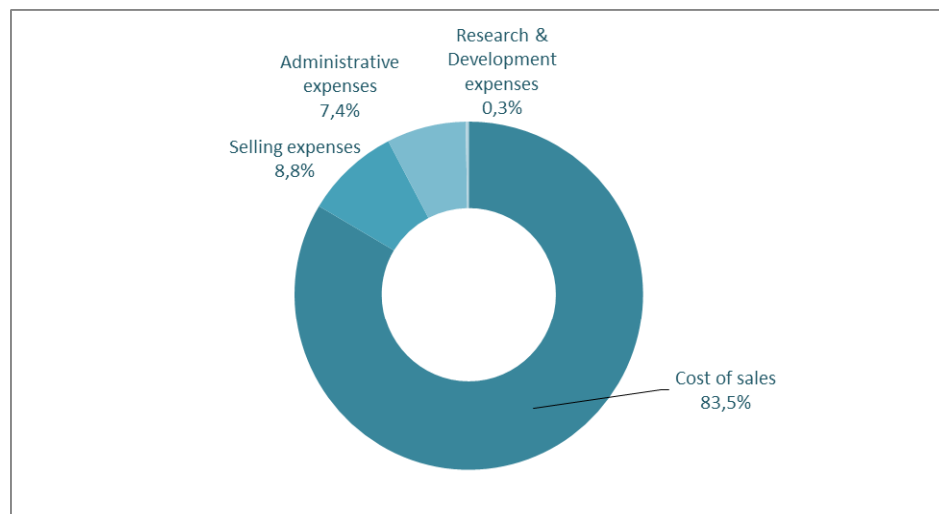
EBITDA



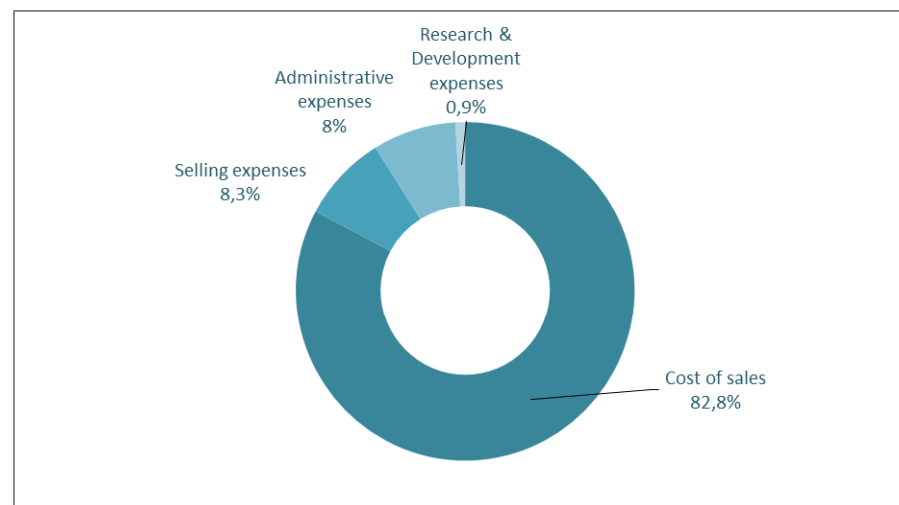
amounts in € '000

Expenses structure

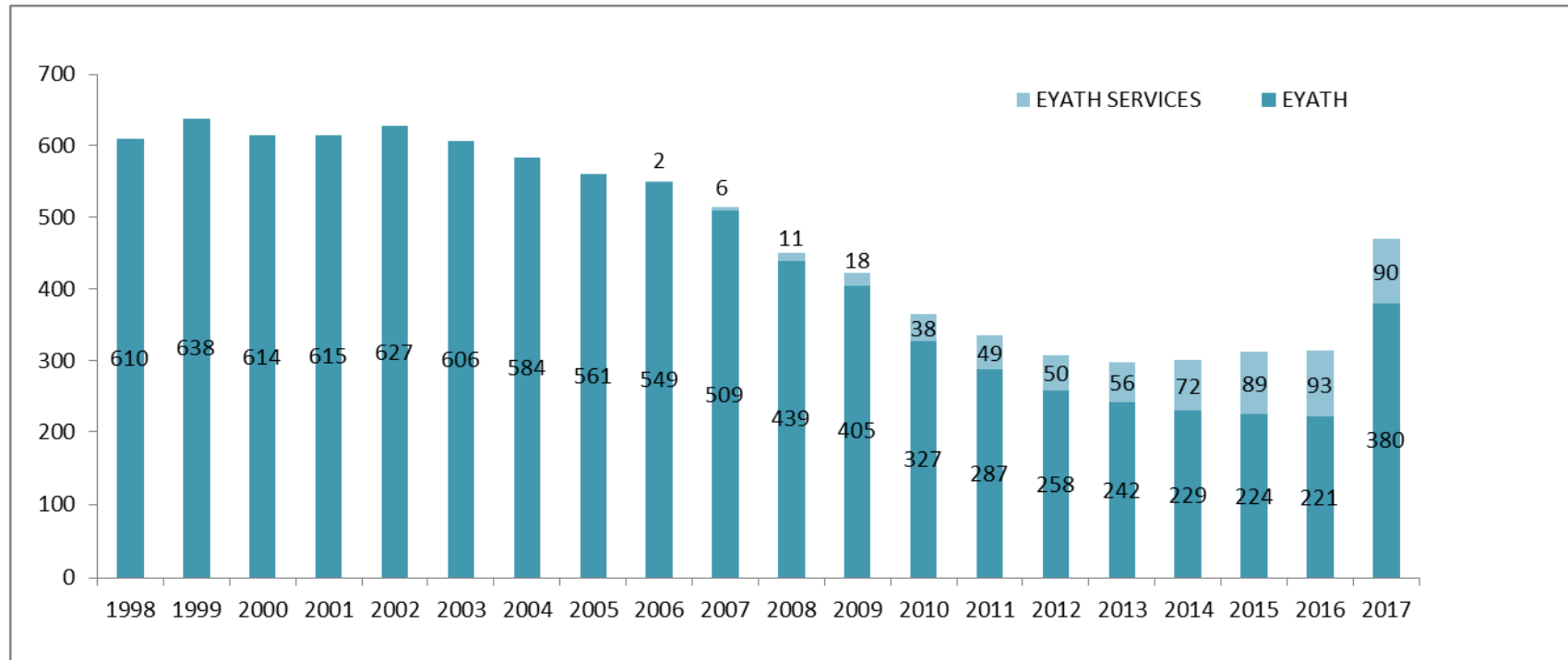
2017



2016

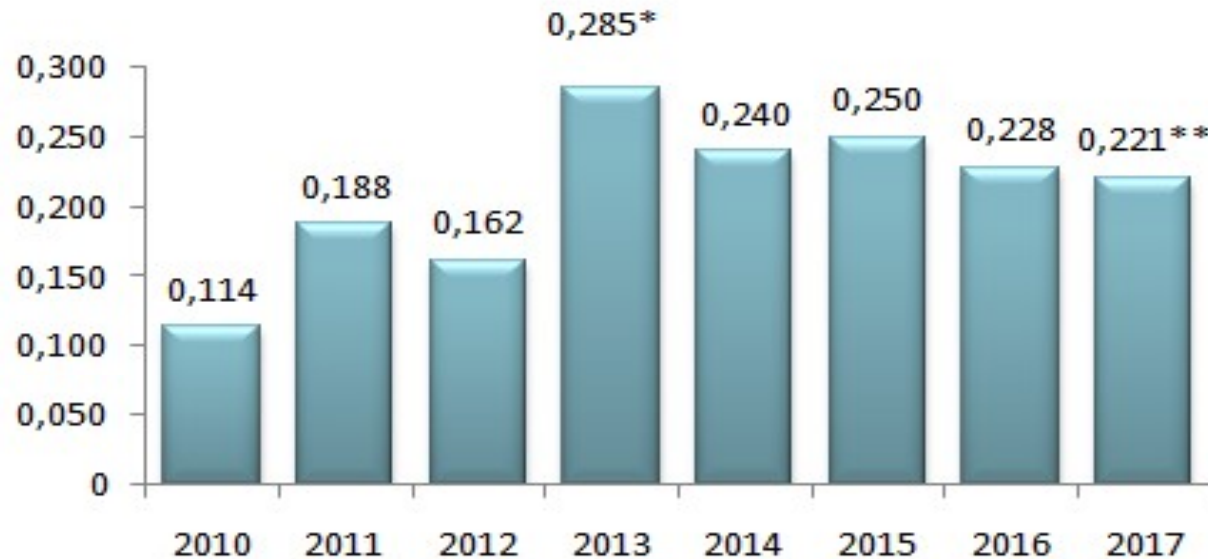


Change in staff



- During 2017 2 staff selection competitions were run by ASEP to recruit 150 full-time staff. By 31.12.2017 a total of 126 employees had taken up their posts, and so far recruitment procedures for a total of 144 staff have been completed.
- In 2017 staff included 41 employees with an 8-month fixed term private-law contract, who were engaged via ASEP.
- Athens Single-Member Court of First Instance judgment No. 1353/2018 was handed down on 1.3.2018 which rejected the claims of those contract staff against EYATH and the subsidiary EYATH SERVICES S.A. and since that date they have ceased offering their services to the company.

Dividend per share



* The dividend includes:

- a dividend of € 0.120/share for 2013,
- distribution of the untaxed reserve of € 0.065/share,
- handing back of the unused part of funds raised (€ 0.10/share)

** Proposed dividend, subject to approval by the General Meeting on 31.5.2018

Fixed dividend
yield

Share performance

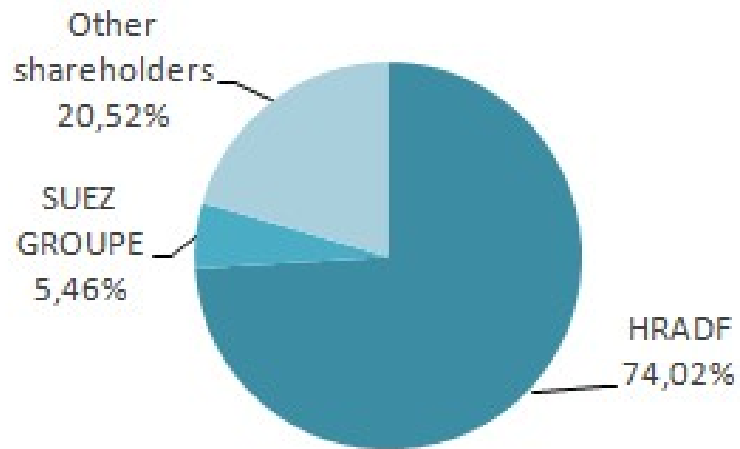
Share price on 1.1.2017: € 3.50
Share price on 31.12.2017: € 4.50
↑ 29%



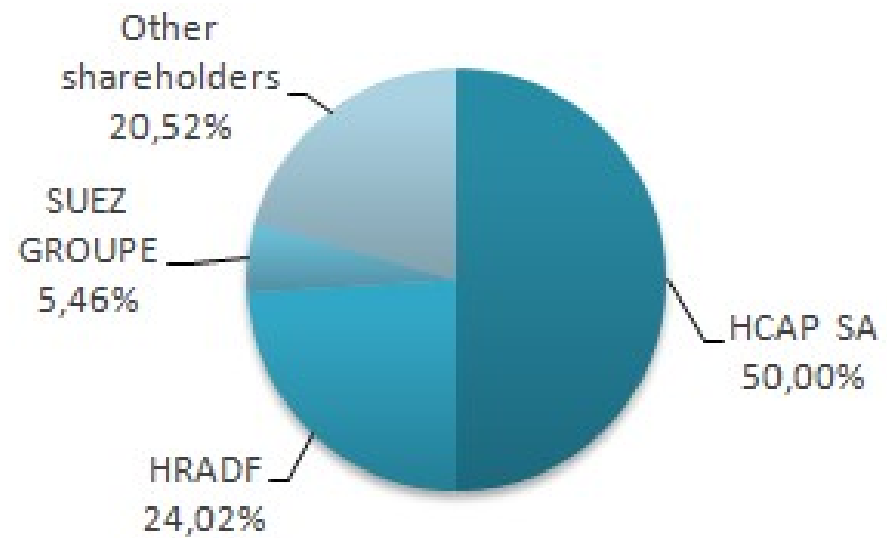
Capitalisation today stands at approximately € 174 million.

Shareholder line-up

31/12/2017



01/01/2018



Major events in 2017

- Recruitment of 150 full-time staff and 41 staff on fixed term private law agreements, recruited via ASEP
- Discounts given to customers who suffered from unparalleled frosts in January 2017 by issuing credit notes worth € 800 k
- In National Water Committee Decision No. 135275/22.5.2017 (Government Gazette 1751/B) “on general rules for costing and billing water services, methods and procedures for recovering costs of water services for various water uses”, the Committee laid down the general costing and billing rules for water services. The decision lays down the framework which EYATH is required to implement when billing its services from the start of 2019. The Company is currently examining its billing policy which is to be submitted to the National Water Committee. It is worth pointing out that this billing policy has remained unchanged since 2012.

Events occurring after the balance sheet date

🌐 18,150,001 shares were transferred by the Greek State to HCAP S.A. by means of OTC transaction, free of charge, effective from 1.1.2018. HCAP S.A. directly holds 50% + 1 voting right and indirectly holds 24.02% via HRADF.

🌐 Athens Single-Member Court of First Instance judgment No. 1353/2018 was handed down on 1.3.2018 which rejected the claims of contract staff against EYATH and the subsidiary EYATH SERVICES S.A. and since that date they have ceased providing their services to the company.

🌐 On 12.4.2018 the EFKA Fund sent decisions imposing social security contributions and additional charges on the subsidiary EYATH SERVICES S.A. totalling € 2.37 million which relate to social security contributions for contract staff under contracts for independent services / contracts for work with the subsidiary in the period 1.7.2010 to 31.12.2016. The group has formed adequate provisions in its 2016 and 2017 financial statements and so the results for 2018 will not be affected.

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