

Athens, September 26<sup>th</sup>, 2024

## **EYDAP: Increase in turnover and profitability in the first half of the year**

### **Climate change is addressed by implementing a demanding investment plan**

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- Increase in turnover by 7.2% to €174.5 million
  - Stabilization of operating costs with a slight increase of 1.5% to € 166.1 million
  - 57% increase in EBITDA to €30.2 million
  - Profit before tax up 674% to €14.5 million

In the first half of 2024, EYDAP increased its turnover, stabilized its operating expenses and consequently improved all its efficiency indicators. The prolonged period of high temperatures drove consumption to high levels, registering an increase of 7.5%, which is expected to level off in the coming months as temperatures drop and citizens are made aware of the need to save the resource.

Exceptional growth in water consumption led to a significant increase in revenues but also to a decrease in reservoir levels. More specifically, revenue in the first half of 2024 increased by +7.2% or +€11.7 million to €174.5 million from €162.8 million in the corresponding half of 2023. Overall from its main activities, (water and wastewater) the Company reported an increase in revenues of +€11 million (+7.4%).

The Company's total operating costs amounted to €166.1 million, an increase of approximately €2.4 million (or +1.5%). The main factors that shaped the operating costs are the increase in personnel costs due mainly to one-off payments of compensation and the new Collective Agreement (+€6.1 million) and the decrease in various provisions of €9.3 million. There was also a significant reduction of €4.6 million in electricity costs.

The Company's total operating costs amounted to €166.1 million, an increase of approximately €2.4 million (or +1.5%). The main factors that shaped the operating costs are:

- the increase in costs in the personnel fees and expenses fund mainly due to one-off payment of amounts as well as the signing of a new Collective Labor Agreement (+€6.1 million) and
- the reduction of the various provisions by €9.3 million (part of the increase in the costs of the personnel fees and expenses is neutralized by the reversal of the relevant provision) and the cost of electricity, which showed a significant reduction of €4.6 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA)\* increased by +57% or +€11 million to €30.2 million from €19.2 million in the first half of 2023, while the EBITDA margin<sup>2</sup> increased to 17.3% from 11.8% in the first half of 2023.

The increase in EBITDA impacted the Company's earnings before interest and taxes (EBIT), which amounted to € 8.5 million from € -0.3 million in the first half of 2023. The EBIT margin was +4.9% from -0.2% in the first half of 2023.

In the first half of 2024, profit before taxes amounted to €14.5 million, compared to €1.9 million in the first half of 2023.

Operating Cash Flow was € -5 million compared to € -19 million in the corresponding half of 2023. Investing Cash Flow was negative at € -11.2 million (due to purchases of property, plant and equipment of € -23.3 million and grants received of € +8.5 million) from € -5.3 million in the first half of 2023.

### **Increase in Investment**

In the first 6 months of 2024, the absorption of the project investment programme amounted to EUR 22.4 million, up 6% compared to the absorption of the first 6 months of 2023.

The 2024-2033 investment programme concerns :

- major projects in East Attica (€958.7 million)
- water supply network projects (€681.6 million)
- sewerage projects (€364.5 million)
- building, digital governance and transformation projects (€103.8 million)

50% of the project budget is funded by the EU.

The shortfall in absorption in the investment programme is mainly due to the large sewerage projects in East Attica. During the first half of 2024, the need for some contract amendments, not related to EYDAP, arose and affected the absorption/disbursement process of approved NSRF funds. However, EYDAP is foreseen to absorb the relevant funds within the year.

### **Organized action plan against climate change and water scarcity**

After 2 years of relative drought and the consequent reduction of reserves in the reservoirs of EYDAP, the company took timely steps to mitigate the effects of water scarcity by activating alternative sources of water supply (boreholes, Lake Yliki) and a consumer awareness campaign to avoid wasting the natural resource. The company also, as a helper of the Ministry of Energy and Environment, has already studied medium and long-term measures in order not to threaten the safe water supply of citizens, as the Ministry recently announced in a press conference.

EYDAP has planned €400 million worth of projects within five years for the optimal management of the water supply network, of which €293 million are related to leakage reduction and are part of the Company's investment plan, while the remaining projects are related to the state.

However, it should be noted that alternative sources of water abstraction are considerably more energy-intensive than the main water supply system, which is operated by gravity. It should be noted, however, that the responsibility for the adequacy of the natural resource to meet the needs of citizens and the increased operating costs rests with the state, which also owns the entire external water supply system.

### **Waiting for the implementation of the regulatory framework**

EYDAP is awaiting the issuance of the new Joint Ministerial Decision which will replace the decision of the inter-ministerial National Water Committee, annulled by the Council of State (CoS) No. 135275/19.05.2017, on water pricing rules. After the issuance of the JMD, the Company will recommend the new tariff based on the methodology of the allowed revenue.

Law 5106/2024 contains favourable provisions regarding the operational flexibilities and expansion possibilities of EADAP. Moreover, with a new legislative framework, according to announcements by the Ministry of Environment and Energy, EYDAP is expected to be extended to the rest of Attica, Biotia, Corinthia and Fokida and EYDAP Islands

Development Corporation is expected to be further activated to support the islands and to carry out larger projects where the provider is weak and the collectability is insufficient.

Growth initiatives may be hampered by the delay in the implementation of the regulatory framework, which provides for full cost recovery and the lack of flexibility in human resource management.

Commenting on the financial results for the first half of 2024, the Company's CEO, Haris Sahinis, stated:

"In the first half of 2024, the increase in consumption due to high temperatures and the limited increase in operating costs, below inflation levels, strengthened EYDAP's results. However, the Company is facing the challenges of climate change and in particular the drought which significantly reduced water reserves in reservoirs.

With consistency and proper planning, the Company proceeded with a series of planned measures to strengthen water supply sources and mitigate consumption in order to ensure adequate water supply. We are also continuing the project programme for better management of the natural resource.

EYDAP will be the state's assistant in the broader effort to ensure water supply and with the new regulatory framework will lay the foundations for its sustainable development for the benefit of consumers and the uninterrupted coverage of the needs of society."

The Annual Financial Report and the Half Year 2024 Financial Data and Information are available on the company's website [www.eydap.gr](http://www.eydap.gr)

\* Alternative performance measurement indicator. See Alternative Performance Measurement Indicators section in the 2024 Semi-Annual Financial Report posted on the corporate website at [www.eydap.gr](http://www.eydap.gr). Financial measures reported in the release relate to the Company unless otherwise noted