

# Innovating the water supply market

Analyst Call – FY2022 Results – 28 March 2022



**Ekopak** SUSTAINABLE  
WATER



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Pieter Loose, CEO



Els De Keukelaere, CFO

# Operational Highlights 2021

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# Successful IPO (March 2021)

Growth

Financial Track Record

- EUR 56.6 million gross proceeds
- Fund our growth strategy

## Shareholder Percentages



Based on the disclosures of major holdings that Ekopak has received since its IPO on 31 March 2021 and 8 April 2021, the shareholder structure is as follows:

Shareholder	Number of Ekopak shares	% of total number of outstanding shares / securities conferring voting rights
● Alychlo NV (BE)*	6.252.358	42,18%
● Pilovan (BE)**	5.280.714	35,62%
● Free Float	3.291.570	22,20%

\*Alychlo NV, Lembergsesteenweg 19, B-9820 Merelbeke \*\* Pilovan BV, Hogerlucht 28, B-9600 Ronse



# Acquisition & integration of ISERV

Growth

Financial Track Record

- Acquisition in April 2022
- Fully integrated as the Water Treatment service provider for both Ekopak's non-WaaS customers and its WaaS operations.



# Ekopak sets up Ekopak France and opens two branches in Rouen and Lyon

Growth

Financial Track Record



## EKOPAK France

- ✓ International expansion in Lyon & Rouen to cover northern, central & southern France
  - ✓ To meet the high demand of Waas installations
  - ✓ Fully operational in 2021-2022
- Restoration of groundwater allowing droughts induced by climate change



# Ekopak France, a first step towards geographic expansion

Growth

Financial Track Record

- Benefit from business opportunities in the major French water treatment market,
- Ekopak's first ever foreign subsidiary
- A pilot for Ekopak's geographic expansion strategy





# Ekopak solutions for water supply

Growth

Financial Track Record

## Decentralized Water supply

Customer site



## ECO Systems

Centralized water purification installation



## META Systems

Companies who can't rely on decentralized water supply or eco systems



These 3 Ekopak solutions make sure that every company can recycle water, one way or the other

# Decentralized Water supply

Growth

Financial Track Record

- Water purification installation inside factory + reuse of waste water, rain water, surface water
- Off-grid water supply



# Water supply – eco systems

Growth

Financial Track Record

## Decentralized Water supply

Customer site



## ECO Systems

Centralized water purification installation



## META Systems

Companies who can't rely on decentralized water supply or eco systems



These 3 Ekopak solutions make sure that every company can recycle water, one way or the other

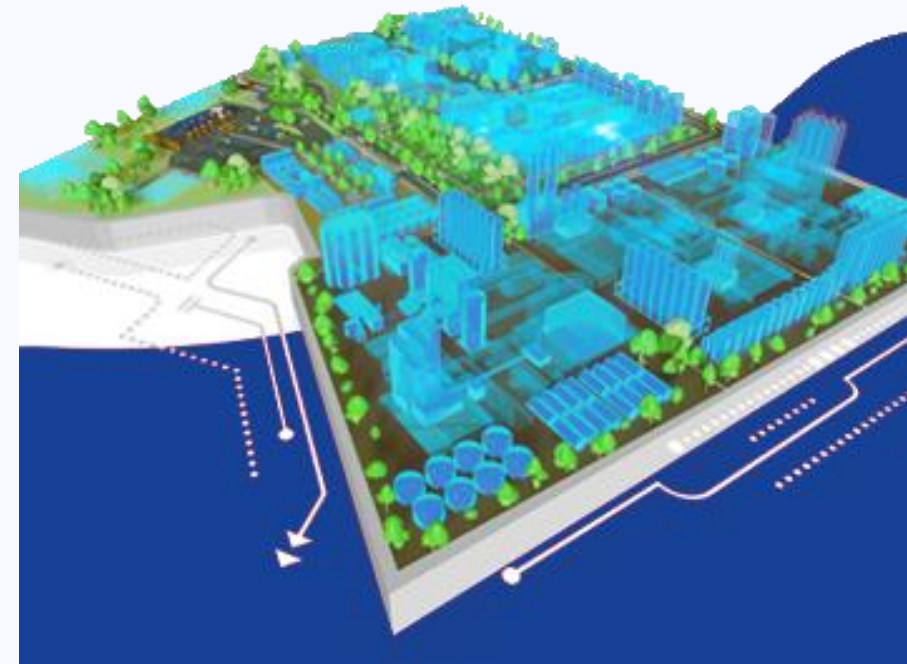


# Centralized water supply – eco systems

Growth

Financial Track Record

- Water purification installation inside factory
- Central location in an industrial zone
- The factory provides water to the surrounding companies
- Large scale
- Example: NextGen Antwerp



# Water supply – meta systems

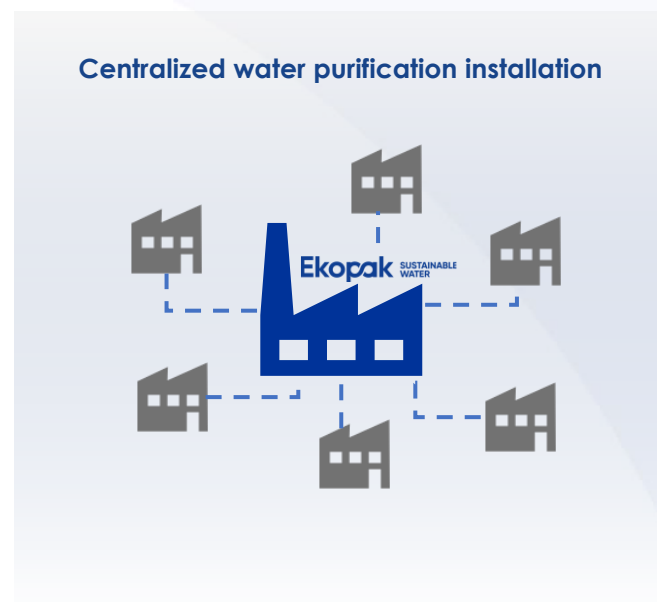
Growth

Financial Track Record

## Decentralized Water supply



## ECO Systems



## META Systems



These 3 Ekopak solutions make sure that every company can recycle water, one way or the other

# Water supply – meta systems

Growth

Financial Track Record

- No decentralized water supply or ecosystems
- Collaboration between private & public companies
- Example: Waterkracht

**WATER  
KRACHT**





# New joint venture – Waterkracht ('the power of water')

Growth

Financial Track Record



## Waterkracht ('the power of water')

- ✓ Joint venture with water-link & PMV
- ✓ Recycle Antwerp waste water for reuse as cooling water for companies in the Port of Antwerp
- ✓ From 2025 onwards, 20 billion litres of groundwater allowing water will be recycled each year in droughts induced by Antwerp, Belgium climate change

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# Ekopak supports further growth and invests in new business premises in Deinze

Growth

Financial Track Record

## New business premises

- ✓ Location: 2,1 ha – Deinze (BE)
- ✓ Contains office building and a factory workshop (7x bigger) to support further growth of Ekopak
- ✓ Building of the future: fully self-sustainable when it comes to energy and water consumption
- ✓ Total investment of €18 million, ready in the spring of 2024



# Building an organization to manage future growth

Growth

Financial Track Record

- Setting-up adequate **systems and procedures**
- Prepare the organization for the implementation of the standards of the **Global Reporting Initiative**.
- Foundations for a **Corporate** department
- **Building facilities**

Restoration of groundwater allowing to cope with severe droughts induced by climate change

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# Financial update

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# Acceleration of strategic transition to Water-as-a-Service (WaaS) business model

Growth

Financial Track Record

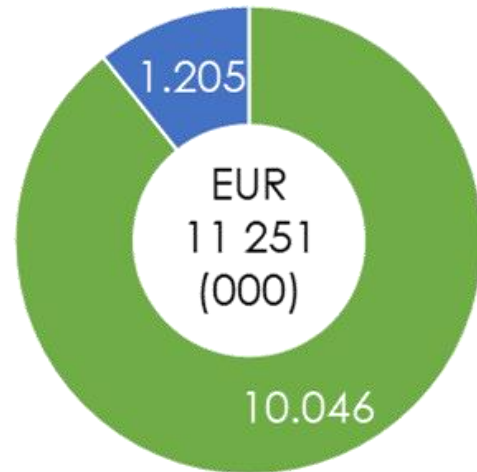
In 000 €										As a % of revenue	
	1st Half 2021	1st Half 2020	1H2021/1H2020	2nd Half 2021	2nd Half 2020	2H2021/2H2020	Full Year 2021	Full Year 2020	FY2021/FY2020	FY2021	FY2020
<b>Revenue</b>											
WaaS segment	281	224	25%	924	241	283%	1.205	465	159%		
non-WaaS segment	4.207	5.124	-18%	5.839	3.890	50%	10.046	9.014	11%		
<i>Total segments</i>	4.488	5.348	-16%	6.763	4.131	64%	11.251	9.479	19%		
<b>EBITDA</b>											
WaaS segment	199	157	27%	640	156	310%	839	313	168%	69,6%	67,3%
non-WaaS segment	502	218	130%	404	119	239%	906	337	169%	9,0%	3,7%
<i>Total segments</i>	701	375	87%	1.044	275	280%	1.745	650	168%	15,5%	6,9%

# Strengthen WaaS as the basis for growth in steady annual revenue, earnings and cash flows

Growth

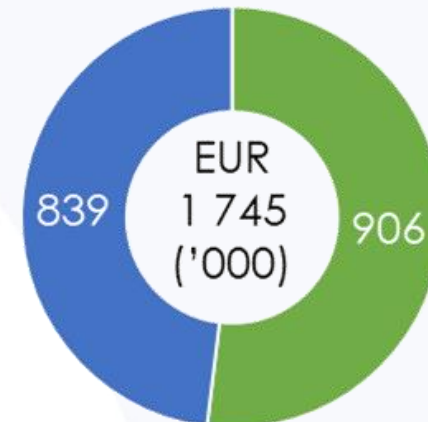
Financial Track Record

Revenue FY2021



■ non-WaaS ■ WaaS

EBITDA FY2021  
(WaaS and non-WaaS segments)








■ non-WaaS ■ WaaS

# We are accelerating the shift towards a recurring business model with high profitability

Growth

Financial Track Record

Impact of WaaS transition

	2019	2020	2021	Mid-term target	Key Drivers
<p>In €m</p> <p> Turnover</p>	~€10.2m	~€9,5m	~€11.3m	~€50m	<ul style="list-style-type: none"> <li>Structural market growth</li> <li>Growth with existing customers</li> <li>New customer wins</li> </ul>
<p> WaaS revenue share</p>		~5%	~11%		<ul style="list-style-type: none"> <li>Increasing share of recurring services</li> <li>Ongoing customer shift towards WaaS model</li> </ul>
<p> Adjusted EBITDA margin<sup>(1)</sup></p>	~17%	~7%	~16%		<ul style="list-style-type: none"> <li>Increasing share of recurring revenue with higher drop through</li> <li>Economies of scale</li> </ul>



# High and increasing earnings quality

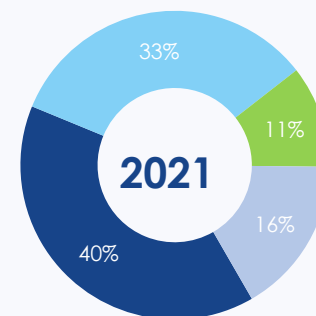
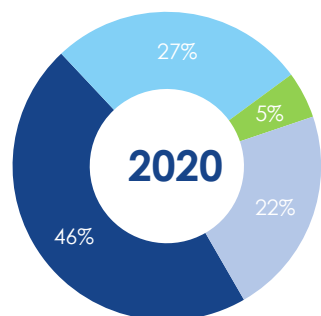
Growth

Financial Track Record

## Revenue by type and region

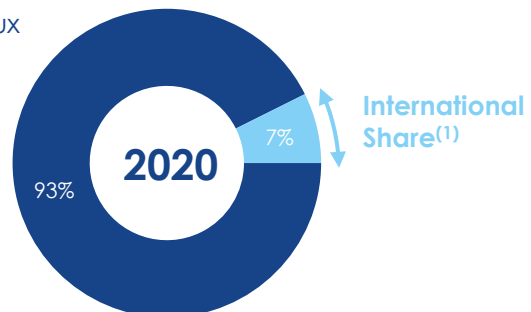
### Revenue by type

- One-off
- Services
- WaaS
- Consumables

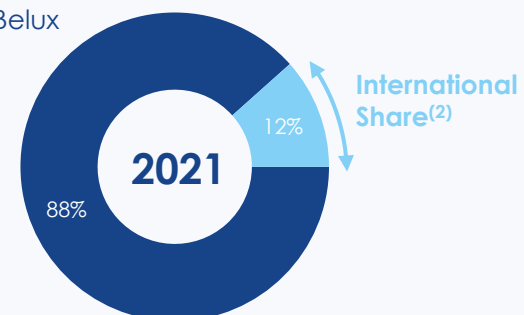


### Revenue by region

Belux



Belux

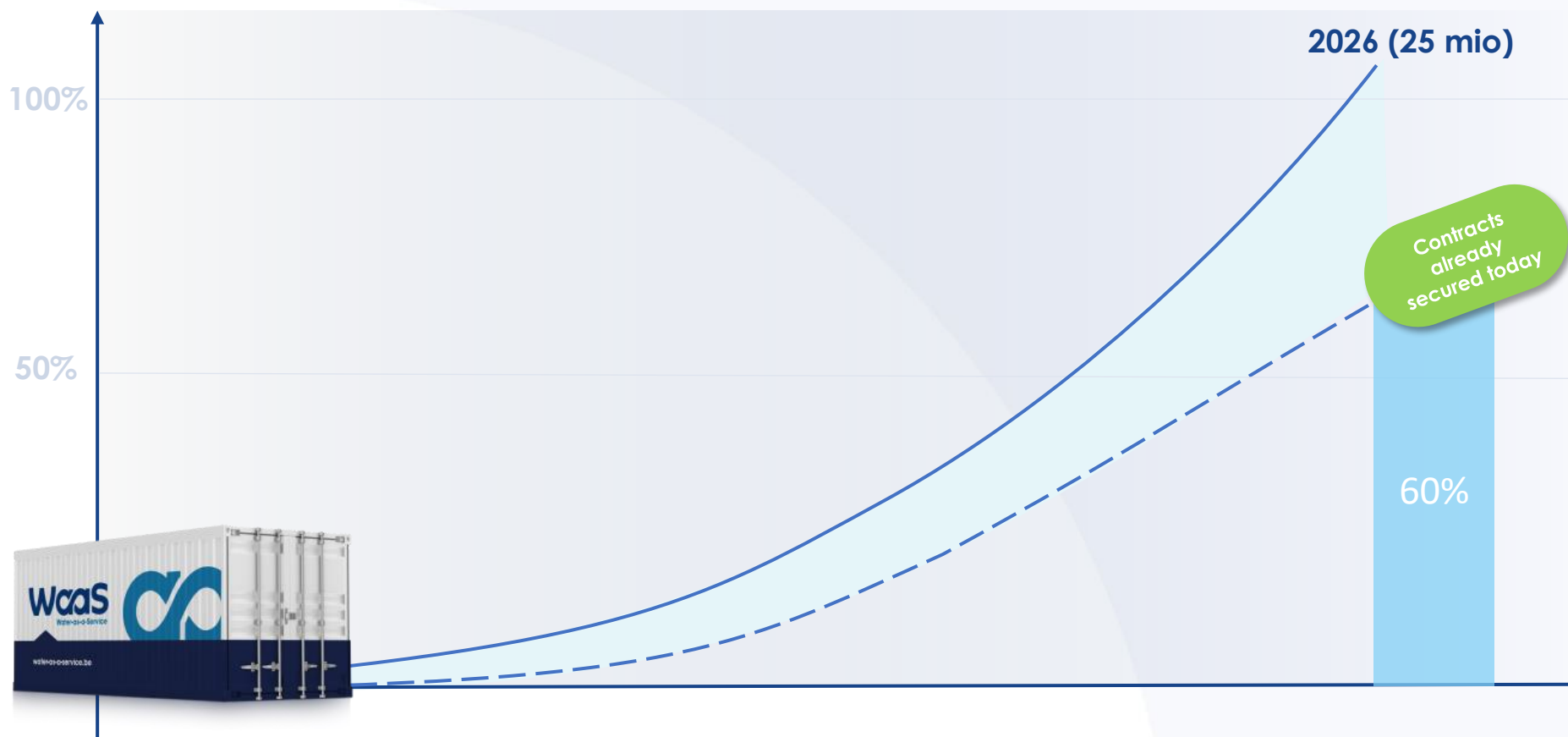


Note(s): figures refer to audited IFRS financials; (1) All other countries excluding Belgium and Luxembourg

# The road to the mid-term target of WaaS

Growth

Financial Track Record



# WaaS contracted values

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## *Undiscounted total minimum contracted revenue*

2020: EUR 17,8 million

2021: EUR 28,6 million

## *Undiscounted future remaining minimum contracted revenue*

2020: EUR 16,9 million

2021: EUR 27,2 million

*\*Exclusive "Waterkracht"*

# Overview of capital expenditures

Growth

Financial Track Record



Note(s): figures refer to audited IFRS financials




# We are accelerating the shift towards a recurring business model with high profitability

WaaS			
in 000 €	2021	2020	Variance
<b>Revenue</b>	<b>1.205</b>	<b>465</b>	740
Other operating income	0	0	0
Operating income	1.205	465	740
Purchases of materials	-161	-136	-25
Services and other goods	-42	0	-42
Employee benefit expense	-160	-16	-144
Other operating charges	-3	0	-3
<b>Adjusted EBITDA</b>	<b>839</b>	<b>313</b>	<b>526</b>
Adjusted EBITDA margin	70%	67%	1%
Expenses from claims	0	0	0
<b>EBITDA</b>	<b>839</b>	<b>313</b>	<b>526</b>
EBITDA margin	70%	67%	1%
Depreciation charges	-286	-176	-110
<b>EBIT</b>	<b>553</b>	<b>137</b>	<b>416</b>

 **159% growth** in recurring **topline** Water-as-a Service (WaaS) segment as a result of the 'go live' of different WaaS installations.

 Operating charges amounting to KEUR 366 follow same evolution in sales resulting in a **solid 70% EBITDA margin**.

As of 2021 a higher level of granularity is used in order to allocate overhead costs to the operating segments.

 Depreciations increased with 63% as a result of the number of operational WaaS installations. The installations are depreciated over the useful live of the WaaS installations (i.e. 15 years).

# We are accelerating the shift towards a recurring business model with high profitability

Non WaaS			
in 000€	2021	2020	Variance
Consumables	1.856	2.072	-216
Services	3.740	2.550	1.190
Water process installations	4.450	4.392	58
<b>Revenue</b>	<b>10.046</b>	<b>9.014</b>	<b>1.032</b>
Other operating income	310	302	8
Operating income	10.356	9.316	1.040
Purchases of materials	-5.082	-6.258	1.176
Services and other goods	-1.751	-1.006	-745
Employee benefit expense	-2.589	-1.564	-1.025
Other operating charges	-100	-92	-8
<b>Adjusted EBITDA</b>	<b>834</b>	<b>396</b>	<b>438</b>
Adjusted EBITDA margin	8%	4%	4%
Expenses from claims	72	-59	131
<b>EBITDA</b>	<b>906</b>	<b>337</b>	<b>569</b>
EBITDA margin	9%	4%	5%
Depreciation charges	-667	-447	-220
<b>EBIT</b>	<b>239</b>	<b>-110</b>	<b>349</b>

Double digit **growth of 21%** in **recurring consumables and services**. Stable revenues compared to last year for one off sales of water process installations. Overall Ekopak managed to achieve a 11% revenue growth for the Non-WaaS business, while generating a more than **satisfactory 9% EBITDA-margin**.

Drop in purchase of materials as a result of transition towards WaaS business model:

- o Gross purchases FY 2021: KEUR 14.159 (63% capitalized under WaaS)
- o Gross purchases FY 2020: KEUR 6.868 (7% capitalized under WaaS)

The **further development of the company structure** resulted in an increase in services and other goods and is mainly explained by the increase in professional fees (KEUR 187), interim expenses (KEUR 140), spare parts (KEUR 130) and rent charges (KEUR 103).

Increase in payroll expenses as a result of **personnel growth** which is expressed in the growth in number of FTE's from 32,3 in 2020 towards 52,4 FTE's in 2021. The increase in payroll expenses is slightly impacted by the transition towards our WaaS business model:

- o Gross payroll expenses FY 2021: 3.886 (29% capitalized under WaaS)
- o Gross payroll expenses FY 2020: 2.121 (26% capitalized under WaaS)

Drop related to the reassessment of the maximum exposure of one of our claims.

Higher depreciation charges as a result of investments in intangible assets (software), car fleet and capitalization of rental equipment.

# We are accelerating the shift towards a recurring business model with high profitability

in 000 €	P12 2021	P12 2020	Variance
Goodwill	1.035	0	1.035
Intangible assets	245	90	155
Property, plant and equipment	14.842	4.948	9.894
Deferred tax assets	1.023	142	881
Other financial assets	16	1	15
<b>Total non-current assets</b>	<b>17.161</b>	<b>5.181</b>	<b>11.980</b>
Contract assets	1.733	562	1.171
Inventories	2.152	1.057	1.095
Trade receivables	2.981	3.299	-318
Other current assets	1.296	488	808
Cash and cash equivalents	42.100	1.300	40.800
<b>Total current assets</b>	<b>50.262</b>	<b>6.706</b>	<b>43.556</b>
<b>Total assets</b>	<b>67.423</b>	<b>11.887</b>	<b>55.536</b>



PPE increased with EUR 10,5 million. **9,5 million** of this increase is related to **CAPEX of Water-as-a Service (WaaS) installations**. This increase is a good indicator of the near-term prospects for the WaaS business.



Deferred tax assets increased with KEUR 881 are recognized for the fiscal losses.



A Non-WaaS contract was signed with Vynova leading to an increase of EUR 1,2 million in contract assets. Inventory increased with EUR 1 million as a result of the acquisition of iServ and the **strategical built up of inventory** at HQ Tielt.




Other current assets increased with EUR 0,6 million compared to 2020 and is mainly related to the VAT receivable position in Water-as-a service NV which is offset by the VAT payable position in Water-as-a-service NV.



Increase of EUR 40,8 million as a result of the IPO. **Net proceedings of IPO** amounting to **EUR 54,4 million**. Increase partly offset by purchase of iServ BV (EUR 1,2 million) and financing the construction of WaaS installations.

# We are accelerating the shift towards a recurring business model with high profitability

in 000€	P12 2021	P12 2020	Variance
<b>Equity</b>	<b>58.583</b>	<b>5.015</b>	<b>53.568</b>
Borrowings	2.232	2.625	-393
Lease liabilities	393	326	67
Provisions	542	400	142
Deferred tax liability	19	0	19
<b>Total non-current liabilities</b>	<b>61.769</b>	<b>8.366</b>	<b>53.403</b>
Borrowings	522	473	49
Lease liabilities	282	236	46
Trade and other payables	3.828	2.449	1.379
Tax payables	963	328	635
Other current liabilities	59	35	24
<b>Total current liabilities</b>	<b>5.654</b>	<b>3.521</b>	<b>2.133</b>
<b>Total equity and liabilities</b>	<b>67.423</b>	<b>11.887</b>	<b>55.536</b>

 **Successful Initial Public Offering** (31 March 2021) yields **EUR 56.6 million** gross proceeds, enabling Ekopak to fund its growth strategy.

Equity is partly compensated with the one off IPO costs and the loss of the year amounting resp. to EUR 2,2 million and EUR 0,7 million.

 Trade payables increased with EUR 1,4 million compared to 2020. This is the overall result of the growth of the WaaS segment in combination with obtaining more favorable payment terms in 2021.

 Tax payables increased with EUR 0,6 million compared to 2020 and is related to the VAT due position in Ekopak NV which is offset by the VAT receivable position in Water-as-a-service NV.

Note(s): Figures refer to audited IFRS financials



# Overview of capital expenditures

Growth

Financial Track Record

## Working capital



# Evolution headcount

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Financial Track Record



	2020	2021		31/12/2020	31/12/2021
FTE's Ekopak	32,3	46,3	Headcount Ekopak	39	63
FTE's iServ		7,59	Headcount iServ		14
FTE's France		0,5	Headcount France		2
<b>TOTAL</b>		<b>54,4</b>			<b>79</b>

# The journey has only started...

Growth

Financial Track Record



**Optimise  
Revenue Mix**



**Grow Existing  
Business**



**Geographic  
Expansion**

# Q&A



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# See you soon!