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## The Apator Group actively participates in energy transition, which is reflected in the results of Q1 2024.

Trends towards the development of technologically advanced and effective distribution networks of energy and water are favourable for the activity of the Apator Group, which is confirmed by solid results of Q1 2024. The highest sales dynamics were achieved by the Electricity segment, which provides solutions for the modernisation of existing infrastructure, the construction of smart power grids and the management of distributed generation sources.

- Consolidated sales revenue in Q1 2024 at a level similar to last year's (PLN 296.4 million, +3% y/y) thanks to the continuation of the very good situation in the Electricity segment (PLN 134.6 million, +13 y/y) and signals of a break in the negative trend in the Gas segment (PLN 73.2 million, +2% y/y), with a decrease in Water and Heat (PLN 88.6 million, -10% y/y) against a high baseline.
- Apator Group's consolidated EBITDA in Q1 2024 was at PLN 31.9 million (slight increase y/y), while the net result was 37% higher y/y, at PLN 12.0 million.
- Share of domestic sales at ca. 52% of the Group's revenue.
- Further reduction of debt and the Net Debt-to-EBITDA ratio to 1.39x at the end of Q1 2024 (vs. 1.48 at the end of 2023).

The Apator Group successfully leverages its broad competence in power and water utility management, providing modern metering equipment (including proprietary ultrasonic technologies) and specialised solutions for the protection, supervision and control of power, water and gas networks. The Group achieved its highest-ever sales in Q1 (PLN 296.4 million, +3% y/y), thanks to the continuation of very good performance in the Electricity segment (PLN 134.6 million, +13 y/y) and solid results in the Gas segment (PLN 73.2 million, +2% y/y). Lower y/y turnover was recorded by the Water and Heat segment (PLN 88.6 million, -10% y/y), due to a high baseline (in Q1 2023, there was an accumulation of purchase orders from cooperatives and waterworks after the pandemic slowdown). Apator Group's consolidated EBITDA in Q1 2024 amounted to PLN 31.9 million (a slight increase y/y), while net profit was 37% higher y/y and amounted to PLN 12.0 million.

The Group maintains a diversified sales structure (domestic sales accounted for approx. 52% of total turnover), which ensures greater predictability of sales levels regardless of changes in the situation in individual sales markets. EU countries continue to be the main export markets, with a dominant share of the German, Belgian, Czech and Spanish, as well as the UK market. In Q1 2024 the Group strengthened its position on the German market due to the dynamic growth of sales of ultrasonic water meters and on the Belgian market due to the performance of subsequent deliveries of smart gas meters under a reference contract in consortium with Landis+Gyr. The Apator Group also recorded positive effects of intensified sales activities on the Italian, Hungarian and Ukrainian markets.

The electricity segment recorded a strong increase in sales y/y thanks to dynamically growing turnover on the Polish market (+22% y/y), mainly as a result of smart meter deliveries under rollouts performed by domestic operators. This is the third consecutive very good quarter in terms of segment sales, and given the ongoing transformation processes related to the

automation of grid infrastructure, the development of RES and the expected support of the energy storage sector in Poland, the segment's prospects are optimistic.

In the Gas segment, sales increased by 2% y/y primarily due to the implementation of the Belgian contract, but this part of the Group's business continues to operate under high uncertainty related to EU energy policy. After a time of delay in the decision-making processes regarding the adjudication of tenders by the main gas grid operator in Poland, the offer of the company from the Apator Group was selected in March this year by PSG as the most favourable in nine tasks, being part of the tender for the supply of bellows gas meters. Under this contract, in the period of 24 months from the date of conclusion of the contract, the Apator Group will supply bellows gas meters in the amount of PLN 54.5 million (with the option to decrease or increase the order by up to 20%).

Water and Heat remains a very promising segment due to the pressure of efficient utility management supported by favourable regulations (obligation to install heat and remote reading water meters by the end of 2026, resulting from the amendment of the Energy Efficiency Act). The importance of ultrasound in the product mix of the segment is growing; moreover, the Apator Group is focused on the development and sale of high-margin comprehensive solutions covering not only metering, but also reading and billing.

– *New regulations favouring green transition and the growing awareness of our customers in terms of economical and sustainable use of energy utilities and water will support the development and sales of modern technologies developed by our R&D teams. "We assume that we will continue to expand organically around our 'traditional' market sectors and products, but at the same time we are working hard to develop new integrated solutions that fulfil our ambition to be an innovator and trendsetter in modern technologies," says **Maciej Wyczesany, President of the Management Board of Apator SA.** "At the same time, we do not forget that each company, especially in current turbulent times, must consistently work on efficiency of its operating activities. Therefore, we improve our processes, optimise warehouse management, we are constantly looking for synergy within the Group, e.g. in the scope of purchasing policy, which results in optimisation of the cost of TMC. At the same time, the Group maintains the necessary level of net working capital and the debt that finances it to handle growing sales and secure materials for production. It is noteworthy that our debt level has been gradually decreasing for several quarters. After Q1 2024 the net debt to adjusted EBITDA LTM ratio was at the level of 1.39x (vs. 1.48 at the end of 2023)"* summarises **Maciej Wyczesany, the President of the Management Board of Apator SA.**



## Basic financial data

PLN million	Q1 2024	Q1 2023	<i>growth rate</i>
sales	296.4	288.5	+3%
EBITDA	31.9	31.6	+1%
net result	12.0	8.8	+37%

## Revenue of key segments

PLN million	Q1 2024	Q1 2023	<i>growth rate</i>
domestic sales	155.1	147.7	+5%
foreign sales	141.3	140.8	+0%
Electricity segment	134.6	118.7	+13%
Water and Heat segment	88.6	98.3	-10%
Gas segment	73.2	71.5	+2%

For more information please contact:

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Apator SA operates as an international group of experienced manufacturers of measuring devices and systems, as well as suppliers of innovative solutions for the automation of the power network. As part of three business units (Electricity, Water&Heat, and Gas), the Group introduces technologically advanced products and services to the market, including smart solutions and systems for managing energy distribution networks.

Apator is one of the three largest entities of its kind on the Polish market and a leading, recognised supplier in selected prospective foreign markets. The company has been listed on the Warsaw Stock Exchange since 1997.