

EYDAP

Go with the flow

EYDAP is Greece's largest water utility, serving around 40% of the Greek population across the Attica region. The introduction of a regulated asset base (RAB) framework in January 2026 provides greater earnings visibility and supports a €2.8bn investment programme, with an allowed return of 6.24%. Legislation passed in July also enables a potential 20% expansion in EYDAP's customer base through the consolidation of regional water providers. The shares have risen c 70% in 2026, moving ahead of our valuation excluding expansion. Incorporating an illustrative €2.7/share uplift from our expansion scenario increases our current valuation to c €14.2 per share, with c €16.5 possible by 2029.

Year end	Revenue (€m)	EPS (€)	DPS (€)	PBT (€m)	P/E (x)	Yield (%)	EV/sales (x)
12/24	373.7	0.14	0.07	25.0	99.9	0.5	3.2
12/25	364.7	(0.20)	0.00	(6.2)	N/A	N/A	3.3
12/26e	418.1	0.28	0.18	40.1	48.9	1.3	2.9
12/27e	425.3	0.29	0.20	45.0	47.2	1.5	2.8

Note: PBT and EPS are as reported.

Investment drives growth in RAB and earnings

From 1 January 2026 EYDAP benefits from a RAB framework, which is similar to the framework that has underpinned UK water regulation for decades, while a July 2026 law change sets the backdrop for geographic expansion. A €2.8bn 10+ year investment programme starting in 2025 covering c 181 projects marks a step change in capex. EYDAP has the balance sheet to support the programme, much of which is captured by the RAB, which could grow from c €700m in 2025 to c €1.6bn by 2035 assuming no change in the attractive allowed return of 6.24%. For 2025–29, we expect revenue growth of 2.2% per year, adjusted EBITDA growth of c 9.2% per year and EPS growth of c 2% per year, excluding footprint expansion.

Law change supports 20% footprint expansion

Law 5325/2026, passed on 31 July, enables EYDAP to extend its territory by absorbing 43 providers in total, which EYDAP suggests could expand its customer base by 20%. The bill aims to achieve economies of scale and reduced operating costs, which are expected to be beneficial for many stakeholders. EYDAP expects integration by 1 January 2028. Our scenario analysis (Exhibits 23 and 24) implies potential value creation.

Valuation: €14.2/share including expansion; €16.5 by 2029

EYDAP's share price has risen c 70% in 2026, moving past our €11.4 base valuation using peer-derived EV/EBITDA multiples and a combined EV/RAB and P/B approach. The increase may partly reflect the July legislation, which provides a basis for expanding the company's customer base by c 20%. The acquired assets are expected to enter the RAB and earn the allowed return, which could support additional earnings growth beyond our existing forecasts, although the financial impact remains dependent on acquisition terms and integration costs. Our expansion scenario implies an illustrative valuation uplift of c €2.8/share, raising our current valuation to c €14.2/share and our potential 2029 valuation to c €16.5/share.

Initiation of coverage

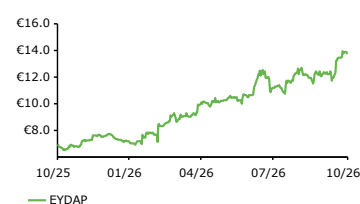
Industrials

28 October 2026

Price €13.68
Market cap €1,480m

Net cash/(debt) at H126 €279.6m
Shares in issue 106.5m
Free float 26.0%
Code EYDAP
Primary exchange ATHENS
Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	11.7	23.2	97.7
52-week high/low		€14.1	€6.6

Business description

EYDAP is Greece's largest water and sewerage utility company, serving the Athens metropolitan area and the broader Attica region.

Next events

FY26 results March 2027 (tbc)

Analysts

Jonathan Day +44 (0)20 3077 5700
Finlay Mathers +44 (0)20 3077 5700

industrials@edisongroup.com

[Edison profile page](#)

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Investment summary

A high-quality asset, now with a regulatory framework

EYDAP is the dominant water and wastewater operator in the Attica region, serving greater Athens and roughly 40% of the Greek population across the full water cycle, from treatment and distribution to wastewater collection and processing. It is a high-quality asset: Greece scored joint first globally for drinking water safety in Yale University's Environmental Performance Index, customer satisfaction is high according to the company and the network reaches some 2.2 million customer connections.

However, for most of its listed life, EYDAP's equity story has been obscured by the absence of a transparent regulatory framework linking the company's substantial asset base to a predictable revenue stream. That has now changed, and the change is central to the investment case.

From 1 January 2026, EYDAP's tariffs are set under an RAB framework administered by the Greek Regulatory Authority for Waste, Energy and Water (RAWEW), covering the first regulatory period from 2025 to 2029. Allowed revenue is built from three components: recovery of allowed operating costs; depreciation of the RAB; and a return on that base struck at an approved weighted average cost of capital (WACC) of 6.24%. This regulatory framework is very similar to that which has underpinned UK water regulation for decades, and it provides EYDAP with multi-year financial visibility to facilitate potential revenue growth from €406.6m (adjusted) in FY25 to c €443.1m by 2029 (Edison estimate). FY25 revenue was adjusted because the 2025 allowed revenue could not be billed during the year, the regulator's tariff determination having arrived only on 31 December 2025. The €41.9m is therefore shown as a pro forma adjustment to illustrate underlying performance rather than as statutory revenue, with the shortfall instead recovered through higher tariffs over 2026–29.

Investment drives RAB growth and RAB growth drives earnings

The RAB framework matters most because of what sits alongside it: a €2.8bn investment programme spread over 10 years and c 181 projects, a step change from the annual capex EYDAP has deployed in recent years.

Under the RAB mechanism, capital that EYDAP funds itself – from operating cash flow, debt and its €250m European Investment Bank (EIB) facility – enters the RAB and earns the allowed return. As that capital is deployed, the asset base grows, and with it the absolute return on capital the company is entitled to recover through tariffs. The opening RAB at slightly under €700m could increase to almost €1,600m over the 10-year investment programme, assuming an unchanged 6.24% WACC. This is the central engine of the business: capital investment drives RAB growth and RAB growth drives earnings. While revenue growth is only about 2.2% per year, operating costs account for c 90% of revenues. We assume operating costs peak in 2027 and then gradually decline to 2029, which allows for healthy EBIT growth of c 11.3% between 2025 and 2029. This path mirrors the allowed opex profile in RAWEW's determination, which falls from €296.6m in 2027 to €290.5m in 2029. The regulator has not published the derivation, but a decline of this kind is consistent with an embedded efficiency assumption of the sort standard in UK-style frameworks, where a gradually tightening real cost allowance is set to encourage productivity gains.

The funding structure of the investment programme is deliberately balanced. Approximately €1bn is expected from EU grants, around €250m from the EIB and the remainder from tariff revenues and internal cash generation. Grant-funded investment enters the balance sheet as fixed assets, but as it is a grant it does not enter the RAB. While EYDAP earns no regulated return on this investment, it does not reduce EYDAP's financial resources, and the associated infrastructure may still eventually generate operating revenue and lower costs, for instance by reducing non-revenue water losses. As these assets are long-lived, the incremental depreciation they bring is modest and spread over many years, so we do not expect grant-funded capex to weigh materially on the P&L. The economic effect is therefore favourable: the state funds roughly half the programme, the customer benefits and EYDAP grows its earning asset base without straining its balance sheet.

Financials

We forecast both revenue and profit to grow steadily through the regulatory period. We expect revenue to recover from €364.7m in FY25 – a transitional trough, depressed because the new tariffs took effect a year later than the framework intended – to €418.1m in FY26 and €425.3m in FY27, with the under-recovery from 2025 spread across the 2026–29

tariff window. We expect a sharper earnings recovery, with reported EPS swinging from a loss of €0.20 in FY25 to profits of €0.28 in FY26 and €0.29 in FY27, as the recognition of regulatory revenue and the absence of FY25's one-off tax and litigation charges flow through. The two principal profit drivers from here are the allowed return on a rising RAB and management's control of operating costs against the regulatory allowance, where outperformance accrues to equity within the period.

New tariffs drive a strong H126 recovery

EYDAP's H126 revenue increased 17.3% y-o-y to €203.2m, primarily reflecting the introduction of new water supply and sewerage tariffs. EBITDA rose to €42.6m from €10.6m in H125, with the margin improving to 20.9% from 6.1%. While lower provision charges supported the recovery, EBITDA excluding provisions increased 101% to €44.2m, demonstrating that the improvement was not simply a favourable comparison with the prior year. Operating cash flow recovered to €25.2m from a €1.7m outflow, providing a stronger financial base to support EYDAP's investment programme.

Capital returns policy expected later in 2026

Dividends are an open question that we expect to be answered favourably in the coming months. EYDAP proposed no dividend for FY25, consistent with the trough year, but it is actively reviewing its capital structure and long-term dividend policy with a view to optimising value for both shareholders and customers, and has indicated it will set out that policy later in 2026. With net cash of €275.7m at end-FY25, a self-imposed gearing ceiling well below the regulatory limit and a growing, visible earnings stream, the capacity to raise returns to shareholders is available; we forecast DPS resuming at €0.18 in FY26 and €0.20 in FY27, reflecting a payout ratio of c 50%.

July 2026 legislation supports EYDAP's geographic expansion

On 31 July 2026, it was [reported](#) that the Greek parliament had passed a [bill](#) that supports the expansion of responsibilities for EYDAP and its Greek peer EYATH and includes strengthening both the regulator and regulations. The bill includes a national water strategy as well as over 100 critical infrastructure projects across Greece. Importantly it sets the framework for combining 70 water service providers into two (EYDAP and EYATH). EYDAP will see its territory extending to include the entire mainland of Attica, as well as Aegina, Agistri, Boeotia, Fokida and Evia (with the exception of Skyros), and is expected to absorb 43 providers in total. EYDAP will also assume responsibility for irrigation. The bill aims to achieve economies of scale and reduced operating costs, which are expected to be beneficial for many stakeholders. It anticipates that the geographical extension will occur within one year. Our scenario analysis based on EYDAP's suggested c 20% footprint expansion (Exhibits 23 and 24) indicates a positive potential impact implying a valuation of €13.5–14.3/share.

Valuation: Combined approach suggests €14.2 per share

We have assessed EYDAP's valuation using both EV/EBITDA against listed peers in Europe and the US, and a combined EV/RAB and P/B approach referencing UK water company EV/RAB multiples. We then take the average of these approaches to derive our base valuation of €11.4 per share. Having closed 2025 at a share price of €7.86, 2026 to date has seen a strong share price performance from EYDAP, with gains of over 70% with the positive tailwind from the legislation change and c 20% footprint expansion discussed above. Exhibit 21 in the Valuation section below illustrates our combined EV/RAB and P/B approach, using a 1.2x EV/RAB multiple and a 0.5x P/B multiple for the assets not captured in the RAB. We use a scenario analysis shown in Exhibits 22 and 23 to illustrate the impact of the 20% footprint expansion which we estimate to be c €2.8 per share. We incorporate the footprint expansion into our valuation from 2028 and use 2028 as our reference year reflecting both the expected timing of the footprint expansion and a 12–18-month investment horizon from Q426. We take the average of the 2028 valuations including and excluding the footprint expansion to account for execution risk, deriving a value of €14.2/share (Exhibit 24). We look forward to more details regarding the footprint expansion process and its financial impact from both EYDAP and the regulator in the coming months. Exhibit 24 illustrates our range of potential valuations for EYDAP and the potential gains for longer-term shareholders.

Sensitivities: Execution is the main risk

The principal risks are the corollary of the opportunity. The regulatory framework is new and on its first determination, so the key uncertainty is consistency of application across future periods rather than the design itself; the regulator's decision to decline EYDAP's historical claims on raw water and financial costs illustrates that the first determination has

already been contested at the margins. The regulatory situation including the footprint expansion continues to evolve with its application under careful consideration. There is execution risk on an investment and expansion programme of this scale, and some demand sensitivity, visible in FY25's modest consumption decline as weather normalised from the exceptional heat of 2024. Risks related to operating expenditure including energy prices are also worthy of consideration. In addition, the presence of the Greek state – simultaneously controlling shareholder, concession grantor, raw water supplier and, through the RAWEW, architect of the framework – aligns interests in a financially sound utility but concentrates multiple roles in a single counterparty, a consideration relevant to how tariff decisions and historical claims are ultimately resolved.

Business description

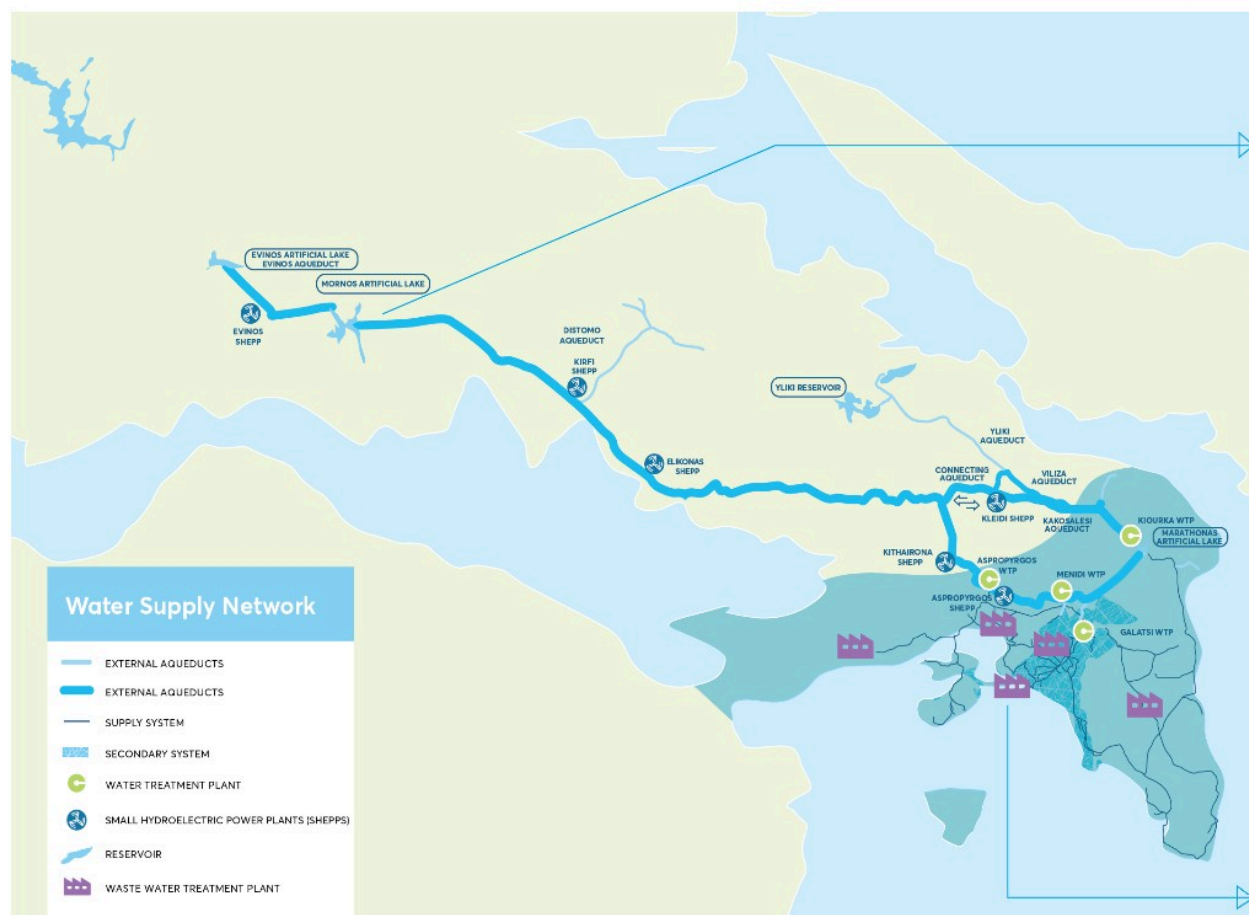
Greek water company serving the Attica region

EYDAP (Athens Water Supply and Sewerage Company) is the largest water utility in Greece, providing water supply, wastewater collection and wastewater treatment services to the Attica region, which encompasses greater Athens and serves approximately 40% of the Greek population. The company is listed on the Athens Stock Exchange and is majority-owned by the Greek state, which controls c 61.3% of voting rights (direct and indirect). EYDAP holds an exclusive licence to provide water supply and sewerage services in its area of responsibility, renewed under Law 4812/2021 until 31 December 2040.

The company operates across the full water cycle. In water supply, EYDAP manages four water treatment plants with a combined capacity of 1.9m cubic metres a day. This treated water is distributed through a 14,300km pipeline network to approximately 4.4 million inhabitants (2.2 million customer accounts), delivering an average of 1.1m cubic metres of water a day.

On the wastewater side, the company operates an 8,700km sewerage network (with a further 1,500km under construction) serving 3.7 million inhabitants, connected to five wastewater treatment plants, including the second-largest in Europe. Average daily wastewater treatment volumes stand at approximately 724,000m³.

It is important to note that the Greek state owns the external water supply system (reservoirs, aqueducts and canals) but that EYDAP operates and maintains the system under a separate contract, generating additional revenue of c €12.5m a year.

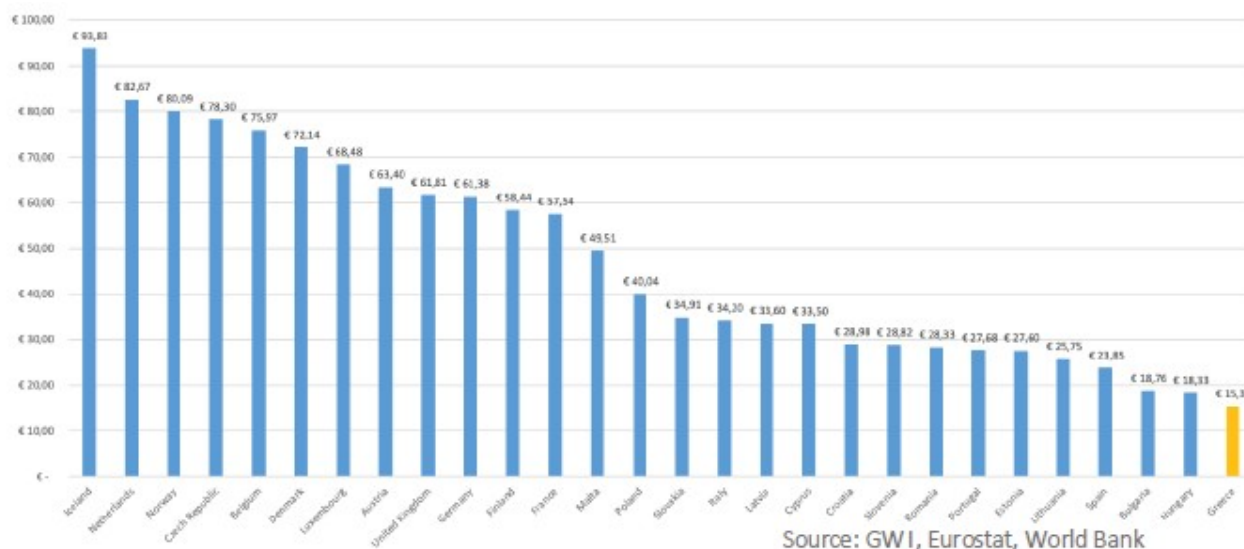
Exhibit 1: EYDAP's sources of supply, operating region and network


Source: EYDAP FY25 results presentation

Greece ranked joint first for drinking water safety

Water quality is exceptionally high, with Greece ranked joint first among 180 countries in the Yale Environmental Performance Index with a score of 100 out of 100. This reflects both the quality of the raw water sources feeding EYDAP's reservoirs, where surface water from rain and melting snow flows via canal to the treatment plants, and the performance of the company's treatment and distribution infrastructure. According to EYDAP, it also has a very high customer satisfaction score, especially compared to other Athens utilities such as gas, electricity and telecoms. EYDAP employs approximately 2,000 permanent staff supplemented by c 500 contracted workers. The company maintains one of the cheapest water tariffs globally, according to Global Water Intelligence, as shown in Exhibit 2. Even as EYDAP's tariffs rise as allowed by the regulatory framework, the company expects its tariffs to remain highly competitive.

Recent legislative changes have extended EYDAP's objectives to include the use of its water supply and sewerage infrastructure for the development of telecommunications and energy activities, including renewable energy production and water reuse, providing additional growth optionality beyond the core regulated business. The company also holds a 100% interest in its subsidiary EYDAP Nison Development and a portfolio investment in EYATH, the water utility serving Thessaloniki.

Exhibit 2: Monthly cost of water and sewerage before taxes for 15 cubic metres per month


Source: EYDAP FY24 results presentation, 30 April 2024

A solid foundation: The RAB framework

What is a regulated asset base?

The RAB framework is a financial and regulatory model that defines how private investment in essential public infrastructure, including water utilities, is remunerated. The framework is well established, having been used for decades in the UK water sector and implemented in many other countries in a utility (water, gas, electricity) setting. The RAB represents the book value of assets required to provide a public service. This book value is determined by the relevant regulator along with an allowed return, which determines what can be earned from the RAB.

Water infrastructure, such as supply and wastewater networks including treatment plants, requires long-term investment. Regulators recognise this investment by allowing the companies making the investment to earn a reasonable rate of return and recover the value of their investment over time, while consumers benefit from tariffs controlled by the regulator. This balance makes the RAB an effective tool for attracting private capital to long-term strategic projects, reducing perceived risk and therefore the cost of financing.

Given the significant investment EYDAP is making, the RAB model provides a clear framework with predictability and legal certainty, both of which are key elements that we believe will support investor confidence and the provision of private capital for EYDAP's multi-year investment programme. The RAB model also reduces the operator's exposure to fluctuations in financial markets. In Exhibit 3 we show the main differences between the RAB and market value.

Exhibit 3: Key differences between RAB and market value

	RAB	Market value
Definition	Value recognised by the regulator for the assets required to provide a public service	Total value of the company based on its stock market capitalisation incorporating market expectations
Who sets it	The regulator (eg RAWEW, Ofwat, Ofgem)	Investors, through the share price
Criteria	Required investment, depreciation, periodic reviews	Expected growth, confidence, risk and the economic context
Time horizon	Long term, regulatory driven	Short to medium term, market driven
Objective	To guarantee fair returns and the sustainability of the service	To reflect growth potential and value creation

Source: Iberdrola, Edison Investment Research

Young regulator, established framework

For an investor approaching EYDAP as a regulated utility, it is important to appreciate how recently the regulatory architecture was put in place. Unlike in the UK, where Ofwat has overseen the water companies since privatisation in 1989 and is now into its eighth five-year price review, Greece's independent economic regulation of water is a creation of the last three years. The framework EYDAP now operates under is, in effect, on its first cycle.

The regulator itself is not a new institution, but its water remit is. The body now responsible for EYDAP traces its origins to the Regulatory Authority for Energy (RAE), established in 1999 to oversee Greece's liberalising energy market. On 28 March 2023, Law 5037/2023 came into force and renamed RAE the Regulatory Authority for Waste, Energy and Water (RAWEW), expanding its mandate beyond energy to also include the supervision of water services and municipal waste management. The same law transferred supervision of EYDAP to the Ministry of Environment and Energy and brought all Greek water providers, EYDAP and Thessaloniki's EYATH among them, under the new authority. In practical terms, an established energy regulator inherited responsibility for a water sector that had not previously been subject to this style of independent economic oversight.

The transition has been gradual, and not without friction. The legislative scaffolding was assembled in stages: Law 5037/2023 created the mandate; a joint ministerial decision of September 2024 set out the general rules for costing and pricing water services; and only at the very end of 2025 did the RAWEW, following public consultation, approve EYDAP's tariffs for the first regulatory period 2025 to 2029. Even that timeline required a legislative stopgap. Article 19 of Law 5106/2024 explicitly allowed EYDAP's tariff to be set by ministerial decision in the interim, pending the completion of the staffing of RAWEW, an acknowledgement that the authority was not yet fully operational in its new role. The authority's water board was still being assembled while the framework it was meant to administer was being designed around it.

EYDAP's RAB model

As mentioned earlier, EYDAP's revenues are determined under an RAB model, overseen by the RAWEW, which follows international best practice for cost recovery-based tariff regulation. Under the framework, the company's allowed income comprises three components:

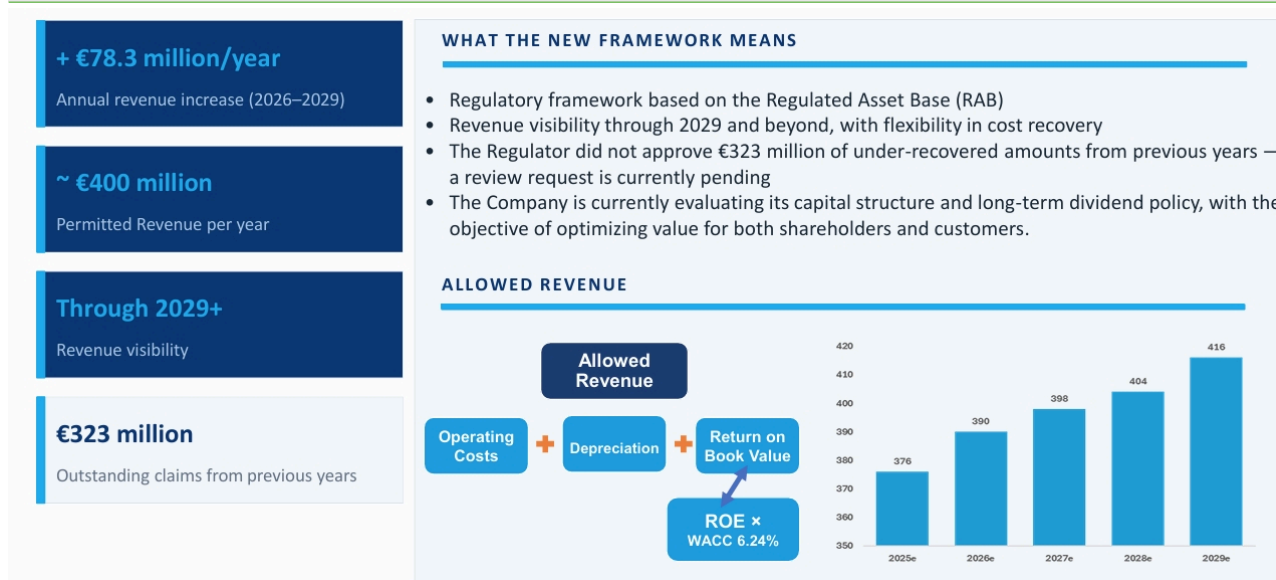
- allowed operating costs;
- depreciation of the RAB; and
- a return on capital employed based on an approved WACC of 6.24%.

New regulated tariffs took effect on 1 January 2026, covering the First Regulatory Period (2025–29). The total approved financial cost rises from €376m in 2025 to €416m in 2029, with the gradual increase driven by the inclusion of new investment in the employed capital and rising depreciation as assets are commissioned.

The return on capital component alone rises from €43m to €68m per year over the period, reflecting the growth in the RAB from an opening value of approximately €700m to a 2029 closing RAB of c €1,100m.

Because the framework was delayed by a year (it was originally due to start on 1 January 2025), the under-recovery from 2025 is being spread across the new tariffs from 2026 to 2029, such that the full five-year financial cost is recovered over a four-year tariff window.

Exhibit 4: Regulatory framework breakdown



Source: EYDAP

The regulatory framework's novelty cuts both ways. On one hand, it explains the disruption visible in EYDAP's recent numbers: tariffs that should, on the framework's own logic, have taken effect on 1 January 2025 were delayed by a year, leaving 2025 as a transitional trough and necessitating the recovery of under-collected revenue across 2026 to 2029. It also helps explain why the regulator's first determination has been contested at the margins, with the RAWEW declining EYDAP's historical claims on raw water and financial costs. On the other hand, as noted earlier, the RAB-based model imported into Greece carries the considerable advantage (reduced regulatory risk and better profit predictability) of a well-developed UK playbook, and the opportunity for the RAWEW to build a track record of consistent water regulation over successive regulatory periods.

Allowed returns versus the cost of capital

EYDAP's approved WACC of 6.24%, fixed for the First Regulatory Period through to 2029, looks modest when set against the prevailing Greek sovereign yield environment (included in Exhibit 28). The Greek 10-year government bond currently yields approximately 3.7%, implying a spread of more than 250bp between the regulatory return on capital and the sovereign borrowing rate. EYDAP's actual cost of debt is likely to be materially lower than the 6.24% allowed returns: its €250m EIB facility was signed on favourable long-term terms, according to management, and the company had no long-term debt prior to this. We estimate the cost of this debt to be 3.5%.

It is the real return adjusted for inflation rather than the nominal yield that tends to matter most for asset values. However, the mechanism that is more directly relevant for EYDAP is the spread between the allowed WACC and the market cost of capital: where this spread is wide and locked-in for a multi-year regulatory period, the equity holder captures the excess return over the period. Notably, unlike UK water peers with RABs indexed to inflation (providing leveraged equity inflation protection but also exposing investors to real yield movements), EYDAP's allowed revenue is set in nominal terms by the RAWEW, with future tariff adjustments expected to be linked to inflation. This means the 6.24% nominal return is the relevant benchmark against which to compare the Greek nominal sovereign yield

Existing asset base: Extensive water and wastewater infrastructure

EYDAP operates a water supply pipeline network of approximately 14,000km and a wastewater pipeline network of approximately 8,500km across the Attica region, serving around 2.2 million customer connections and a population of around eight million. The company's licence covers the internal distribution network from the water treatment facilities to end users.

In wastewater, EYDAP possesses five wastewater management centres, the largest of which, the Psittaleia wastewater treatment plant, has a design processing capacity of 1,000,000m³/day (currently operating at approximately 730,000m³/day) and is the second-largest such facility in Europe. Psittaleia also operates three electrical and thermal energy co-generation units (CHPs) with combined electrical capacity of c 24MWe, running on natural gas and biogas, together with a 489kW small-scale hydroelectric station recovering energy from the treated outflows. In addition, EYDAP operates five

small hydroelectric stations on the Mornos and Evinos aqueducts and a 1.97MW photovoltaic installation.

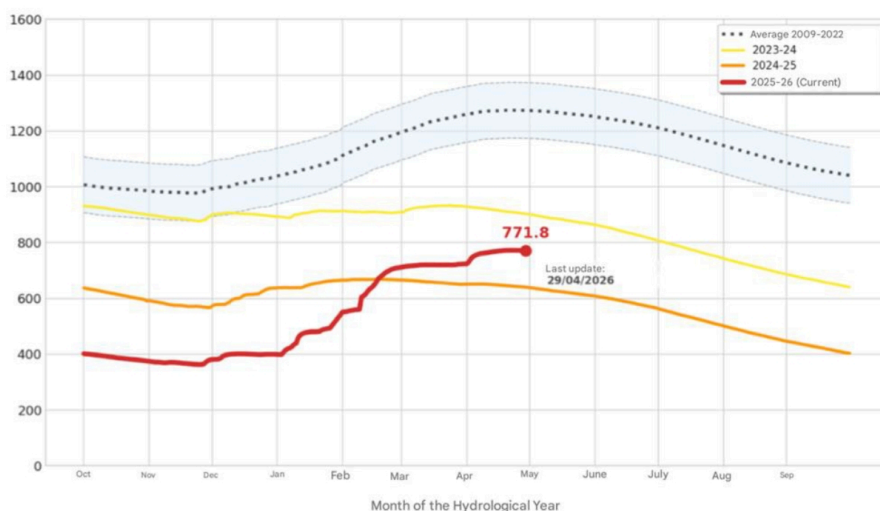
Supply de-risked: Water resourcing sits with the state

A defining structural feature of EYDAP's business model, and a meaningful differentiator versus most listed water peers, is that the company does not own, and is not responsible for sourcing, the raw water it treats and distributes; that obligation rests with the Greek state. The external water supply system (reservoirs, aqueducts and canals) belongs to the state via EYDAP Fixed Assets (EPEYDAP).

Ownership of the bulk water assets, namely the Marathon, Mornos, Yliki and Evinos reservoirs and the associated dams, aqueducts and canals comprising the external water supply system, sits with EPEYDAP, a legal entity of public law established at the time of EYDAP's IPO in 2000. Under the 20-year exclusive right contract signed in February 2022 (Law 4812/2021), the state, through EPEYDAP, is contractually obliged to supply EYDAP with raw water for the period 1 January 2021 to 31 December 2040, at a price per cubic metre fixed annually in the agreement. EYDAP's own licence and asset base begin downstream, at the water treatment facilities, and extend through the internal distribution network. In effect, EYDAP is a treatment, distribution and wastewater operator rather than a resource owner. This boundary materially de-risks the supply side of the business.

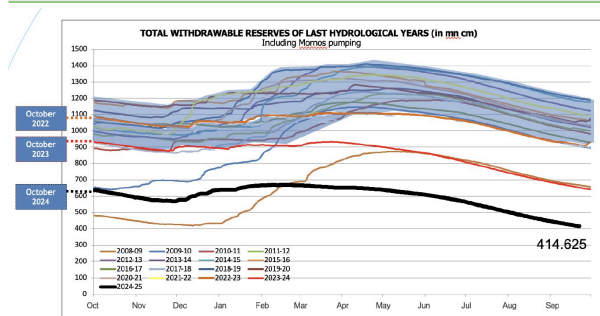
Exhibit 1 shows the above assets on a map. The exhibits below illustrate that Greece faces a rising and volatile water-scarcity risk profile. EYDAP has flagged drought and resource availability as the key climate risk to its operations, yet the obligation to secure adequate raw water volumes, and the associated capital cost of reservoir capacity and resource development, rests with the state rather than EYDAP.

Exhibit 5: Water reserves to end April 2026 (red line)



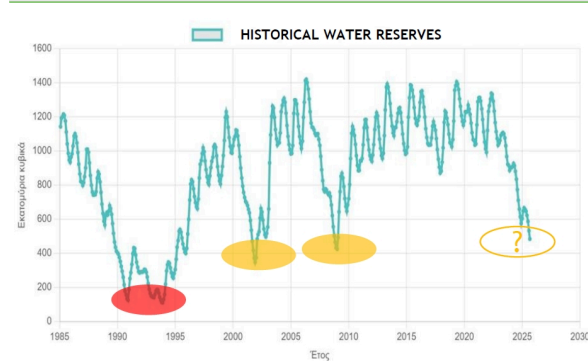
Source: EYDAP FY25 results presentation, 30 April 2026

Exhibit 6: Water reserves over the years



Source: EYDAP H125 results presentation, 25 September 2025

Exhibit 7: Historical water reserves



Source: EYDAP H125 results presentation, 25 September 2025

What this means for EYDAP

The company carries operational and demand risk, not the upstream resource risk that weighs on integrated utilities elsewhere. Raw water enters the model as a contracted input cost rather than a capital commitment: EYDAP pays EPEYDAP a per-cubic metre charge and, separately, earns roughly €12.5m per year for operating and maintaining the external water supply system on the state's behalf under a distinct service contract. Under the RAWEW framework, that raw water cost is itself a recoverable operating expense within allowed revenue, reinforcing its pass-through character.

Investment programme: €2.8bn over 10+ years across 181 projects

A step-change in capital intensity

EYDAP has committed to a 10-year capital programme of approximately €2.8bn across c 181 active projects, independently assessed by the EIB and EY, which judged them as consistent with European strategic priorities. This is a significant change in scale for a company that was deploying around €15m of capital per year half a decade ago. Annual investment reached €81.8m in 2025, more than five times the average of the preceding six years and up 28% on 2024. Management targets a run-rate of roughly €300m per year at the peak, with the step up accelerating over the next few years.

How the spending becomes earnings

The logic that makes this capital an earnings driver rather than a drain runs through the RAB. Capital that EYDAP funds itself, from internal cash generation and from its €250m EIB facility, enters the RAB and earns the allowed return of 6.24%; as it is commissioned, the RAB expands and the absolute return EYDAP recovers through tariffs rises in step. The return-on-capital component of allowed revenue alone is set to grow from approximately €43m in 2025 to €68m by 2029, a direct reflection of an RAB that opens slightly below €700m, rises to c €1.1bn in 2029, and that management expects to reach c €1.65bn by the end of the investment programme in 2034. The framework sets the rules under which invested capital earns a return, and the programme supplies the capital. Neither delivers growth without the other.

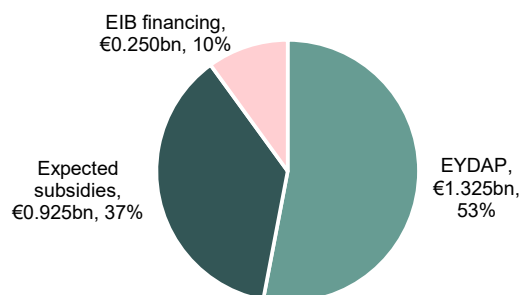
Components of the investment programme

The investment programme has four components:

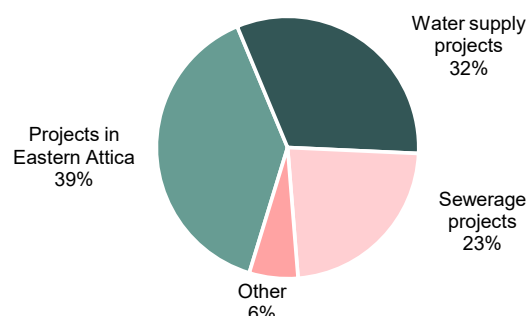
1. The largest is the sewerage build-out in Eastern Attica (c €975m), a genuine greenfield extension into municipalities never connected to a centralised wastewater system – a material expansion of EYDAP's service footprint, encompassing roughly 1,500km of new pipeline and associated treatment capacity. As of mid-2025, contracts worth €234m were in construction, with 361km of the planned 881km laid, representing physical progress of around 41% and running ahead of financial absorption as civil works front-load.
2. The second component is water supply (c €800m), covering non-revenue-water reduction, the roll-out of two million smart meters and network modernisation.
3. The third (c €575m) is upgrades to the existing wastewater network, including the flagship conversion of the Psittaleia plant – the second-largest wastewater facility in Europe – to energy-neutral and carbon-neutral operation, currently at an early study phase and executed while the plant remains in service.
4. The fourth, the smallest component (c €150m), covers buildings, digital governance and energy projects.

Funding designed for RAB growth without balance-sheet strain

The funding architecture is built to grow the RAB without straining the balance sheet. Of the total, approximately €1bn is expected from EU grants and subsidies, around €250m from the EIB at favourable long-term rates and the balance from tariff revenues and internal cash generation. The grant component is the critical distinction: grant-funded assets are recorded as fixed assets but do not enter the RAB, so EYDAP earns no regulated return on them, at least initially. The trade-off favours equity holders – roughly half the programme is state-funded without diluting shareholders or gearing the balance sheet, while the resulting infrastructure still generates operating revenue and lowers costs, for instance through reduced non-revenue water losses, where management targets a fall from 15% towards 10%. The capital on which EYDAP earns its regulated return is therefore the self-funded and EIB-funded portion, and it is growth in that portion of the base that drives the earnings trajectory through the regulatory period and beyond.

Exhibit 8: Financing of EYDAP's investment plan


Source: EYDAP FY25 results, 30 April 2026

Exhibit 9: Investment programme components


Source: EYDAP FY25 results, 30 April 2026

2026: A new stage in EYDAP's evolution

A strong set of H126 results

H126 marks the first period in which the new tariff framework is fully visible in EYDAP's reported numbers. Revenue increased 17.3% y-o-y to €203.2m, driven primarily by the implementation of the new water supply and sewerage tariffs. Water supply revenue increased by €19.1m (17.6%) and sewerage revenue by €11.1m (21.6%), while the contribution from other activities was broadly flat. The increase came despite only modest changes in consumption, reinforcing the importance of the tariff reset rather than volume as the main driver of the improvement.

The impact was more pronounced at the profit level. Reported EBITDA increased 300% to €42.6m from €10.6m in H125, with the EBITDA margin rising to 20.9% from 6.1%, reflecting both higher revenue and lower provision charges. Excluding provisions, adjusted EBITDA still increased 101% to €44.2m from €22.0m, which suggests that the improvement was not solely a function of a favourable comparison with the prior-year provision charge. EBIT recovered to €20.5m from a €10.5m loss, while PBT increased to €23.5m from a €5.8m loss and net income rose to €17.1m from a €5.6m loss.

The reported figures do not yet capture the full tariff benefit. Management estimates that the phased incorporation of fixed charges through the billing cycle reduced H126 EBITDA by c €8m; on a pro forma basis, EBITDA would therefore have been €50.6m, up 375% y-o-y, with PBT of €31.5m. We view this as further evidence that the tariff reset is flowing through as intended, although the timing of recognition means the reported first-half figures still understate the steady-state earnings contribution. Cash generation also improved materially. Operating cash flow was positive €25.2m compared with a €1.7m outflow in H125, while free cash flow turned positive at €5.0m from negative €26.4m. Cash and cash equivalents increased to €279.6m at end-June, preserving significant financial flexibility as investment ramps up. Overall, H126 provides the first clear evidence that the combination of higher recurring revenue, cost discipline and lower non-recurring charges is translating the new regulatory framework into stronger earnings and cash flow.

Exhibit 10: Half-year summary profit and loss account

€m	H125	H225	H126	H226e
Revenue				
Water Supply and Related Services	108.3	125.4	122.4	147.0
Sewerage Services	51.4	53.1	61.1	59.4
Other	13.5	12.9	19.7	8.5
Total revenue	173.3	191.4	203.2	214.9
Total revenue y-o-y growth %	-0.7%	-3.9%	17.3%	12.2%
Operating expenditure	(160.1)	(167.7)	(162.3)	(173.4)
Operating expenditure (% of revenue)	92.4%	87.6%	79.9%	80.7%
EBITDA	13.2	23.8	42.6	41.5
EBITDA margin %	7.6%	12.4%	21.0%	19.3%
EBIT	(10.5)	(0.5)	20.5	17.9
EBIT margin %	-6.0%	-0.3%	10.1%	8.4%
PBT	(5.8)	(0.4)	23.5	19.4
Tax	0.3	(15.3)	(6.4)	0.0
Net income	(5.6)	(15.7)	17.1	19.4
Per share data				
Earnings per share (€)	(0.05)	(0.15)	0.16	0.18
Adjusted earnings per share (€)	(0.05)	0.39	0.14	0.18
Adjusted EPS growth %	-	-	-	-
Dividend per share (€)	0.00	0.00	0.00	0.18

Source: Edison Investment Research, company data

FY25 recap: Healthy underlying performance

EYDAP viewed 2025 as a year of transition, with the new regulatory framework for 2025–29 established and effective from 1 January 2025 but the water tariffs agreed with the regulator taking effect from 1 January 2026. The regulatory framework allows for predictable and profitable growth in 2026. Management sees the 10-year investment programme accelerating, with FY25 investment up c 28% to €81.8m. The company published reported and adjusted results for FY25. Adjusted results, which include the recognition of regulatory revenue (which only began in FY25) and exclude one-off tax charges of €15.5m and litigation provisions of €14.6m, demonstrate the healthy underlying performance of the business. FY25's €14.6m litigation charge was a top-up to the provision held against EYDAP's long-standing book of labour and civil claims, rather than a new lawsuit or cash payout, and being non-cash and within its normal historical range it is stripped out of the adjusted figures.

While FY25 reported revenues declined by 2.4% to €364.7m, driven primarily by a 1.6% decline in water consumption (explained by a return to milder weather conditions following exceptional heat in 2024), adjusted revenues including recognised regulatory revenue of c €42m grew 8.8% y-o-y to €406.6m. The contrast between reported and adjusted results was even greater at the EBITDA and net income levels. Reported EBITDA fell 41% y-o-y to €36.9m while adjusted EBITDA grew 27% y-o-y to €78.6m, primarily reflecting the impact of the recognised regulatory revenue (up €41.9m) with a much smaller positive impact from taxes, fines and penalties (up €4.6m). The company reported a net loss of €21.4m having been pushed into the red by a one-time tax charge of c €15.5m, higher litigation expense provisions of €14.6m and the lack of recognised regulatory revenue. However, adjusted net income was in the black at €36.1m, benefiting from the recognised regulatory revenue and the exclusion of one-off items.

FY25 one-off tax charge

During FY25 the partial tax audit for fiscal year 2019 was completed with the corresponding audit for fiscal year 2020 in progress when EYDAP published FY25 results on 30 April 2026. Based on the audit findings, the company calculated in FY25 additional charges for income tax, value-added tax, fines and surcharges for the years 2019–24. Consequently, FY25 was burdened by a non-recurring tax charge of approximately €7.6m at a pre-tax level and an additional €7.9m in income tax at the net results level. The company states that this represents a one-off, non-recurring item as it covers accumulated tax liabilities from previous years, which arose mainly due to reductions in water bills to customers, within the framework of the company's established policy to support consumers, as well as delayed receipts from public hospitals to ensure the provision of healthcare services to EYDAP employees.

Guidance

Following the establishment and commencement of the new regulatory framework, the main driver of EYDAP's financial performance is the allowed return of 6.24%, which ensures the recovery of operating costs, depreciation and return on capital. The approved financial cost increases gradually until 2029 and will be recovered through tariffs between 2026 and 2029, with EYDAP's annual revenue increasing on average by €78.3m compared to the 2024 base.

Law 5325/2026 paves the way for footprint expansion

According to EYDAP, the water market in Greece is highly fragmented, with c 750 smaller entities and the more significant EYATH serving Thessaloniki. EYDAP notes that this fragmentation is potentially inefficient and lacks economies of scale.

On 31 July 2026 it was [reported](#) that the Greek parliament passed a [bill](#) (law 5325/2026) that supports the expansion of responsibilities for EYDAP and its Greek peer EYATH and includes strengthening both the regulator and regulations. The bill includes a national water strategy as well as over 100 critical infrastructure projects across Greece. Importantly, it sets the framework for combining 70 water service providers into two (EYDAP and EYATH). EYDAP will see its territory extending to include the entire mainland of Attica, as well as Aegina, Agistri, Boeotia, Fokida and Evia (with the exception of Skyros) and is expected to absorb 43 providers in total. There is also an option for another 19 smaller utilities to join. EYDAP will also assume responsibility for irrigation alongside water supply and sewerage. The bill aims to achieve economies of scale and reduced operating costs, which are expected to be beneficial for many stakeholders. The bill anticipates that the geographical extension will occur within one year.

Customer base expansion of c 20%

EYDAP has suggested that the addition of the 43 providers could see the company expand its customer base by around 20%, likely through an EYDAP subsidiary. Management has pointed to the exciting growth potential and the opportunity for EYDAP to use its expertise to improve service levels, water quality and benefit from economies of scale.

To support the new responsibilities, the establishment of specialised organisational units for water supply and sanitation in Central Greece and for irrigation is planned, as well as arrangements for the transfer or secondment of personnel, invoicing and management of claims and liabilities of the transferred providers.

Integration expected in around one year

During the H126 results call, management highlighted that it envisages preparing a five-year investment plan for each region, which EYDAP would then submit to the regulator, including a description of the existing infrastructure, necessary projects, schedule, budget and sources of financing. Management suggested that the additional providers could be integrated in around one year (ie around September 2027) with control expected from January 2028, and it expects them to fall under the regulatory framework.

EYDAP expects acquisition costs to enter the RAB

The company is in the process of hiring an accounting firm to help it understand the value of the assets of the 43 providers. The value paid for the assets is expected to be added to EYDAP's RAB, on which it will receive the allowed return, with costs and depreciation expected to be recovered through tariffs. Consequently, management envisages a positive contribution to revenue growth.

The evolution and the impact of the expansion on EYDAP's financial figures cannot be reliably determined at this stage and depends on, among other things, the results of the due diligence and valuation audits, the content of the investment plans, the sources of financing and the pace of integration of the new activities. Management expects to have a clearer picture by the end of the year.

Scenario analysis suggests potential valuation of €13.5–14.3 per share

We expect that, in the longer term, the anticipated economies of scale and operational efficiencies should be positive for the company. Positive sentiment related to this news may have contributed to EYDAP's positive share price development in August 2026.

While we await greater clarity regarding the financial implications of the footprint expansion before including the impact

in our forecasts, we have added a scenario analysis (Exhibits 22 and 23 in the Valuation section) to illustrate the potential value creation. Our assumptions and EV/EBITDA multiple approach suggest a valuation of €13.5–14.3 per share.

Exhibit 11: Summary profit and loss account

€m	FY23	FY24	FY25	FY26e	FY27e	FY28e	FY29e
Revenue							
Water Supply and Related Services	222.9	239.2	233.7	269.4	275.0	279.1	287.2
Sewerage Services	101.6	106.7	104.6	120.5	123.0	124.9	128.5
Other	27.1	27.8	26.4	28.2	27.2	27.3	27.4
Total revenue	351.6	373.7	364.7	418.1	425.3	431.3	443.1
Total revenue y-o-y growth %	2.4%	6.3%	-2.4%	12.8%	1.7%	1.4%	2.7%
Operating expenditure	(285.4)	(311.4)	(327.8)	(335.7)	(337.8)	(334.2)	(332.6)
Operating expenditure (% of revenue)	81.2%	83.3%	89.9%	80.3%	79.4%	77.5%	75.1%
EBITDA	66.2	62.3	36.9	82.4	87.4	97.1	110.5
EBITDA margin %	18.8%	16.7%	10.1%	19.7%	20.6%	22.5%	24.9%
EBIT	21.5	15.0	(11.0)	36.8	40.4	47.4	53.0
EBIT margin %	6.1%	4.0%	-3.0%	8.8%	9.5%	11.0%	12.0%
PBT	27.9	25.0	(6.2)	41.2	43.6	48.8	52.9
Tax	(7.7)	(10.4)	(15.1)	(11.5)	(12.2)	(13.7)	(14.8)
Net income	20.2	14.6	(21.3)	29.7	31.4	35.1	38.1
Per share data							
Earnings per share (€)	0.19	0.14	(0.20)	0.28	0.29	0.33	0.36
Adjusted earnings per share (€)	0.19	0.14	0.34	0.28	0.29	0.33	0.36
Adjusted EPS growth %	308.8%	-27.9%	147.9%	-17.9%	5.7%	12.1%	8.4%
Dividend per share (€)	0.10	0.07	0.00	0.18	0.20	0.21	0.23

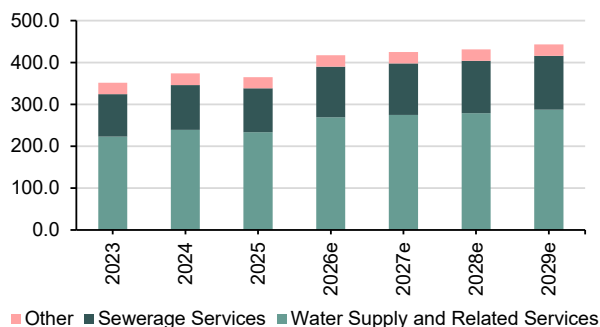
Source: Edison Investment Research, company data

RAB plus investment equals growth

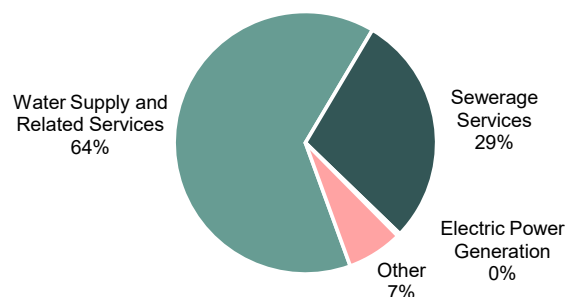
The mechanism

The RAB-based model provides a transparent mechanism for EYDAP to earn a regulated return on new investment. As self- and EIB-funded capex is deployed and enters the RAB, the capital base grows, and with it the absolute return on capital that EYDAP is entitled to recover through tariffs. This is the central mechanism underpinning the investment case: RAB growth should drive revenue and earnings growth. Importantly, grant-funded capex (which accounts for roughly half of the total programme) enters the balance sheet as fixed assets but does not enter the RAB. While this means EYDAP does not earn the 6.24% return on these assets, it also avoids the need to gear up the balance sheet to fund them, and the associated infrastructure still generates operational revenues and/or reduces costs (for example, through lower non-revenue water losses). Going forward, tariff adjustments are expected to be linked to inflation, providing further visibility and a degree of real-terms protection for investors.

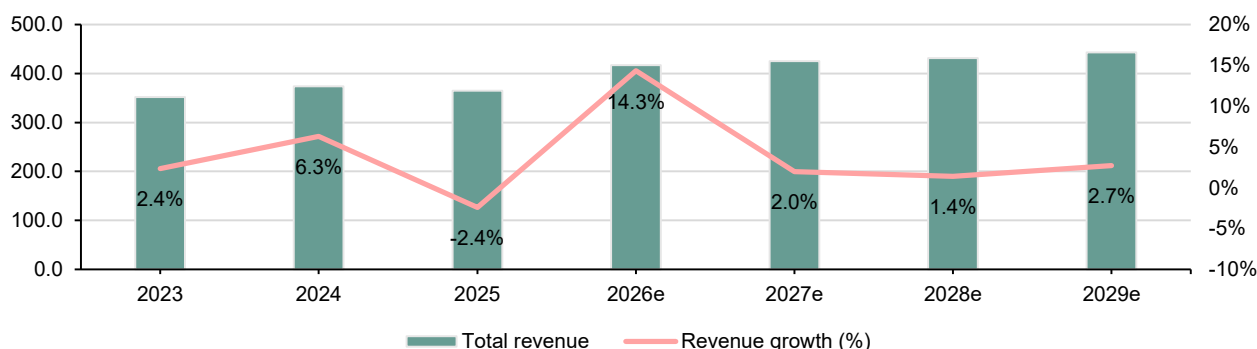
EYDAP's allowed revenue is the sum of recovered operating costs, depreciation of the regulated asset base and a return on that base at the 6.24% allowed WACC. The first two are recovered rather than earned; it is the return on capital that constitutes economic profit to equity, and it grows as the RAB grows. Each euro of self-funded or EIB-funded capex that enters the RAB earns 6.24% until it depreciates, so the path of allowed revenue is largely the path of the regulated base scaled by the allowed return. The RAWEW's determination sees total approved financial cost rising from approximately €376m in 2025 to €416m in 2029, with the return-on-capital component alone climbing from around €43m to €68m. The result is that annual revenue is lifted by an average of roughly €78m against the 2024 base. On our forecasts, revenue recovers from the FY25 trough of €364.7m to €418.1m in FY26 and €425.3m in FY27, tracking the regulator's path closely.

Exhibit 12: Revenue by division (€m)


Source: Edison Investment Research, company data

Exhibit 13: FY25 revenue by division


Source: Edison Investment Research, company data

Exhibit 14: Group revenue (€m) and revenue growth (%)


Source: Edison Investment Research, company data

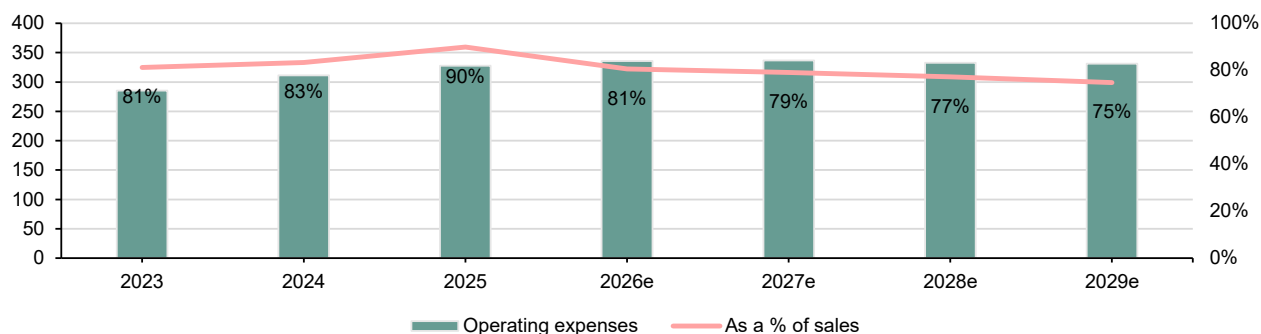
Financials: FY25 a distorted trough

The earnings recovery outpaces the revenue line because FY25 was depressed by items that do not recur. Reported EBITDA fell 41% to €36.9m, but that absorbed a €14.6m increase in litigation provisions and a €7.6m EBITDA-level charge from the 2019 tax audit; adjusting for these and recognising the delayed 2025 regulatory revenue that was excluded from reported results produced adjusted EBITDA of €78.6m, up 27%, and an adjusted net profit of €36.1m, against a reported net loss of €21.3m. The recovery we forecast – reported EPS swinging from a €0.20 loss to €0.27 in FY26 and €0.29 in FY27 – is in large part the mechanical unwinding of that distortion as the framework takes effect and the one-off items drop out.

Cost discipline as the second lever

Operating cost control is the second lever of profit growth alongside the allowed return. Total operating expenditure before depreciation was €328m in FY25, of which personnel costs were the largest element at €135m (41%), followed by third-party fees at €76m and utilities, predominantly electricity, at €52m; raw water purchased from the state, a recoverable pass-through, adds €28m. Encouragingly, both major controllable lines fell in FY25, with personnel costs down 4% due to a reduction of 84 full-time equivalent employees and electricity costs €5.3m lower on unit prices. As the regulator sets the operating cost allowance, every euro of efficiency below it accrues to equity within the period, so the smart-meter and non-revenue-water programmes embedded in the capital plan are as much efficiency investments as service improvements.

Exhibit 15: Operating expenses (€m) and as a % of sales



Source: Edison Investment Research, company data

€323m under recovery outstanding

EYDAP has an outstanding amount of €323m that it has not been allowed to recover, which consists of two components:

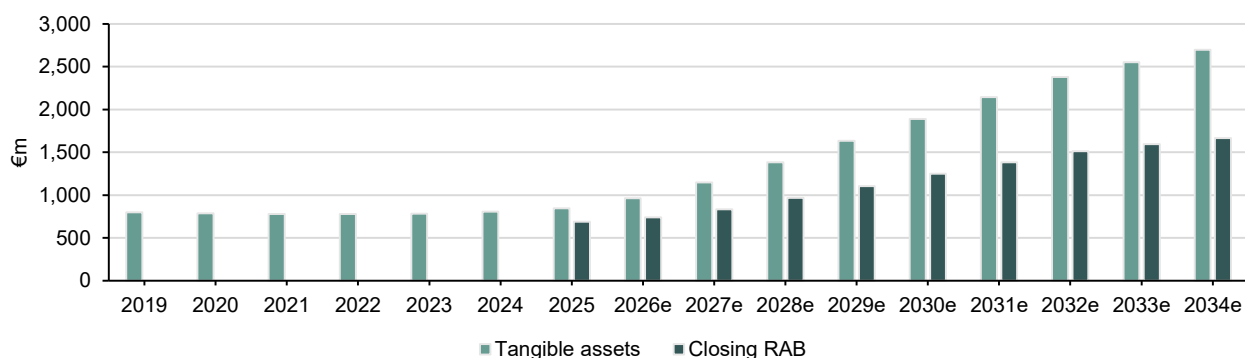
1. Five years ago it made an agreement with the Greek state, which included EYDAP having to settle €157m of what management describes as differences in cash to the state with the provision that it would recover this amount when the regulator was in place. However, the regulator has excluded this and asked EYDAP to claim this back directly from the state.
2. EYDAP had asked for higher tariffs before the regulatory tariff increases to reflect higher energy prices. It asked the Greek state to compensate it for the €166m cost, but while the state suggested EYDAP claim this back from the regulator, the regulator has not yet agreed this claim.

The €323m is significant for EYDAP given FY26 estimated revenue of €417m and EBITDA of c €81m. As we have little visibility over how and when this amount may be recovered (eg one off or spread over a few years) we have excluded it from our forecasts, but acknowledge that should part or all of the €323m be recovered, it would have a positive effect on the financial statements.

Cash, capital allocation and the balance sheet

EYDAP enters the forecast period in a position of strength, with cash of €275.7m at end-FY25 and, historically, no long-term debt (the €250m EIB facility being its first material borrowing). FY25 operating cash generation of €16.8m was outweighed by tangible capex of €81.8m, though customer contributions and subsidies of €43.8m offset much of the investing outflow – the grant-funded portion of the programme arrives as cash inflow rather than a call on EYDAP's resources – leaving a manageable €23.1m cash outflow. Management expects to hold gearing well within the regulatory ceiling of 50% debt-to-equity, with an internal limit nearer 40%, against a balance sheet carrying close to €300m of net cash. This leaves ample headroom to fund the self-financed share of the programme without recourse to equity; we expect net cash to erode toward a modest net debt position as the programme peaks, but we do not view the balance sheet as a constraint on delivery.

The most important balance sheet evolution is not the headline asset total but the regulated base within it. The RAB opens slightly under €700m and management expects it to reach almost €1,600m over the programme. Because grant-funded assets sit outside the RAB, we assume total tangible assets grow faster than the regulated base, with the gap bridged principally by the accumulated IAS 20 investment-subsidy liability.

Exhibit 16: Tangible assets grow faster than the RAB due to grant funding


Source: Edison Investment Research, EYDAP data

Dividends and capital returns

After declaring dividends of c 50% of earnings in FY23 and FY24, EYDAP proposed no dividend for FY25, consistent with the reported loss and the transitional year, but management indicates the direction is toward resumption and progression, indicating that the payout ratio could rise gradually as the framework delivers earnings visibility. The company expects to communicate a formal dividend policy later in the year. With a growing, predictable earnings base, a net cash balance sheet and a conservative gearing target, the capacity to support a rising distribution is evident; we forecast DPS of €0.18 in FY26 and €0.20 in FY27, reflecting a c 50% payout ratio that is comfortably covered and capable of growing with earnings. Whether the company decides to make additional capital returns or deploy capital on footprint expansion remains to be seen.

Valuation: Combined approach suggests €14.2 per share

We have assessed EYDAP's valuation using both EV/EBITDA against listed peers in Europe and the US, and a combined EV/RAB and price-to-book approach, referencing UK water company EV/RAB valuations.

EV/EBITDA valuation

We assess EYDAP's valuation based on listed water utility peers in Europe and the US using 12-month forward EV/EBITDA and P/E multiples, with dividend yield data included in Exhibit 17 for comparative purposes. We think EYDAP's closest peers are the listed UK water companies, all three of which trade at very similar EV/EBITDA multiples. We have excluded French-listed Veolia, as only 29% of its 2025 revenues were derived from municipal water with the remainder related to water technologies (11%), waste (solid and hazardous, 35%) and energy (25%). We show the four listed US water peers separately in Exhibit 17, and calculate an average 12-month forward peer EV/EBITDA multiple for Europe, and for the US and Europe combined. We then apply this to EYDAP's 2026e EBITDA and derive the associated valuations per EYDAP share of €10.8 based on the European peers and €11.4 based on the combined Europe and US peers. We use our FY26 net cash forecast of €211.0m in the EV calculation.

Exhibit 17: Peer group valuation

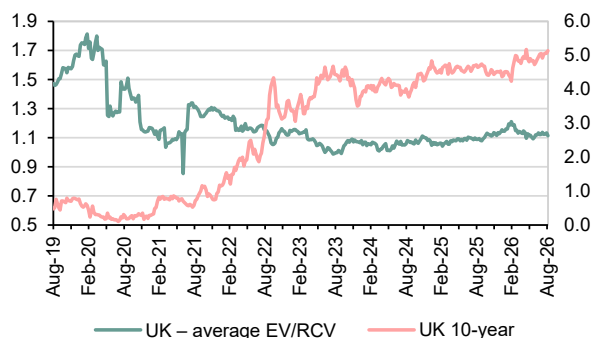
Company	12m forward EV/EBITDA (x)	FY1 P/E (x)	FY2 P/E (x)	Dividend yield (%)
UNITED UTILITIES GROUP	11.8	13.7	13.2	3.8
SEVERN TRENT	11.4	15.1	12.1	4.1
PENNON GROUP	11.1	14.6	13.4	6.6
AMERICAN WATER WORKS	12.1	21.3	19.7	2.8
MIDDLESEX WATER	13.9	20.0	19.2	2.7
CAL.WATER SER.	10.2	18.0	17.0	2.9
AMERICAN STS.WATER	14.2	22.2	21.3	2.7
Europe average	11.4	14.4	12.9	4.9
US average	12.6	20.4	19.3	2.8
EU & US average	12.1	17.8	16.6	3.7
EYDAP	15.1	49.1	46.5	1.3
Premium/discount (EU)	32.5%	240.2%	259.8%	
Premium/discount (EU & US)	25.0%	175.5%	180.5%	
EV/EBITDA peer valuation based c	Europe	Europe & US		
Peer average EV/EBITDA (x)	11.4	12.1		
EYDAP EBITDA (€m)	82.38	82.38		
Implied EV (€m)	940.02	996.86		
Net cash (€m)	210.97	210.97		
Equity value €m	1,150.98	1,207.83		
Shares (m)	106.5	106.5		
Implied value per share (€)	10.8	11.3		
Current price (€)	13.68	13.68		
Implied upside/downside (%)	-21.0%	-17.1%		

Source: Edison Investment Research, Bloomberg

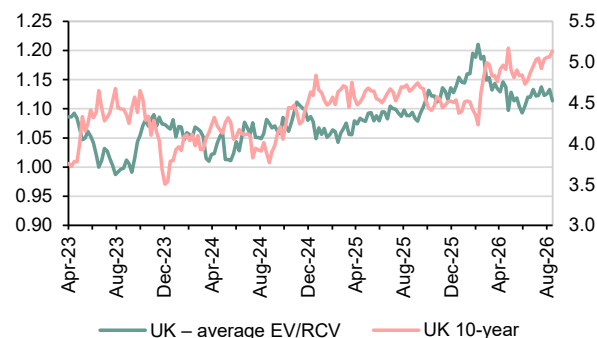
EV/RAB valuation

A conventional way to value an RAB-regulated utility is against its RAB, the regulatory net book value of the infrastructure on which the company earns its allowed return. The market rarely values a utility at exactly its RAB; the EV/RAB multiple is typically at a premium or discount. A key driver of the premium or discount tends to be the spread between the allowed return and the return the market demands – when the allowed WACC sits above it, the asset commands a premium, and when below, a discount. Operational outperformance against the cost allowance, a strong growth profile and the ability to borrow below the regulatory benchmark can also be drivers of a premium, while unregulated business lines (largely absent at EYDAP) can also affect multiples. At a broader level, the defensive nature of the sector and inflation/interest rate expectations can also influence valuation multiples.

For context below we show our estimated EV/RAB valuations for the UK water sector and include the 10-year UK government bond yield. We have used Bloomberg estimated forward enterprise values (EVs) and reported RABs applied 12 months in advance for the three UK water companies and taken the average to give an estimated forward EV/RAB multiple for the sector. EV/RAB multiples were higher when interest rates were lower, falling as bond yields increased (Exhibit 18), and have traded in a relatively narrower range for around the last three years (Exhibit 19).

Exhibit 18: Average estimated UK EV/RAB (LHS) and UK 10-year government bond yield (RHS)


Source: Edison Investment Research, Bloomberg

Exhibit 19: Average estimated UK EV/RAB (LHS) and UK 10-year government bond yield (RHS, %)


Source: Edison Investment Research, Bloomberg

Having provided this context we show below EV/RAB valuations and related data for EYDAP and the UK water companies.

Exhibit 20: EV/RAB valuations and related data

Company	Estimated EV	RAB	EV/RAB	Allowed return	Type	Inflation (CPI)	Nominal allowed return	10-year yield	Spread	2026 net debt/total capital
United Utilities	£20,537m	£18,282m	1.12	4.03%	Real	4.2%	8.23%	5.14%	3.10%	81.2%
Severn Trent	£20,543m	£17,122m	1.20	4.03%	Real	4.2%	8.23%	5.14%	3.10%	84.7%
Pennon	£7,209m	£7,083m	1.02	4.03%	Real	4.2%	8.23%	5.14%	3.10%	76.4%
Average			1.11							
EYDAP	€1,252m	€738m	1.70	6.24%	Nominal	4.40%	6.24%	3.74%	2.50%	-34.8%

Source: Edison Investment Research, Bloomberg. Note: UK water RABs as at March 2027, EYDAP December 2026.

EYDAP's FY26 EV/RAB multiple of 1.7x is higher than the average EV/RAB multiple for the UK water companies of 1.11x. This may be explained by a number of factors such as scarcity premium given that EYDAP is the only continental European pure-play water utility, a visible €2.8bn 10-year investment plan supported by a new but respected regulatory framework, a robust balance sheet with scope to increase gearing and lower the cost of capital, and the positive spread versus the Greek 10-year yield. On the Greek 10-year yield, it is worth noting that the generic EU 10-year yield is lower at c 3.10%, while the current ECB rate of 2.4% is 135bp lower than the current 3.75% UK base rate.

However, this premium could also be explained by the non-RAB assets. As mentioned above, the grant-funded portion of EYDAP's capex programme does not enter the RAB. Over time, therefore, the gap between tangible assets and the RAB grows. Although these investments are unlikely to immediately generate revenue, this does not mean they are without value, but that value must come from economic utility: either generating incremental revenue or reducing the cost of running the network. Much of the non-RAB programme plausibly clears that bar, whether through lowering operating costs such as energy, water losses and maintenance, or through opening incremental revenue streams. What management has not yet set out is the scale and timing of these benefits, so we can identify the mechanism of value creation without being able to size it. Given the ambiguity surrounding the scale of these benefits, we capture the non-RAB assets through a P/B multiple, taking a deliberately conservative stance at 0.5x book. As these assets expand through additional capex, their contribution to the valuation increases in a group context.

To value the RAB we apply an EV/RAB multiple of 1.2x, as we think this better reflects the EV/RAB valuations of UK-listed peers achieved when UK interest rates and yields were lower. We calculate this per share and then add the value of the non-RAB tangible assets per share based on 0.5x book to arrive at a valuation for EYDAP. Our table spans the four years to the end of the current regulatory period in 2029. It also illustrates share price potential over the period, assuming the successful execution of investment plans and the consistent application of EV/RAB and P/B multiples.

Exhibit 21: EYDAP: Combined EV/RAB and P/B valuation

	2026e	2027e	2028e	2029e
EYDAP estimated RAB (€m)	738	844	986	1,146
Target EV/RAB	1.2	1.2	1.2	1.2
Estimated EV (€m)	886	1,013	1,183	1,376
Net cash/(debt) (€m)	211	105	(38)	(202)
Implied market cap (€m)	1,097	1,117	1,146	1,174
Shares in issue (m)	106.5	106.5	106.5	106.5
Implied share price (€)	10.3	10.5	10.8	11.0

Addition of tangible assets not included in RAB				
Tangible assets ex RAB (€m)	223	321	429	551
Long-term average price/book	0.50	0.50	0.50	0.50
Implied value (€m)	112	160	214	276
Implied additional value per share (€)	1.05	1.51	2.01	2.59
Implied share price (€)	11.35	12.00	12.77	13.61

Source: Edison Investment Research

For our valuation of the group (Exhibit 22) we take an average of the per-share valuations based on the 12-month forward EV/EBITDA multiples and the 2026 and 2027 combined EV/RAB and P/B multiples above, deriving a value of €11.4 per share.

Footprint expansion: Scenario analysis implies upside potential

We model a 2028 growth scenario based on management's guidance for a 20% expansion. In this scenario, we scale FY28 EBITDA up by 20% to reflect the 20% footprint expansion and assume a €75m cost, which feeds into the net debt and subsequently EV and RAB. On our assumptions, this would increase EBITDA to €116.5m in 2028, implying a share price of €13.5 based on European peers and €14.3 using the combined European and US peer group (Exhibit 22), equivalent to 1% downside and 4.5% upside respectively. The mid-point of this uplift compared to the €11.4 per share valuation of the group before footprint expansion is c €2.8 per share. We use FY1 EBITDA consensus figures when calculating peer averages given limited data availability and quality.

Exhibit 22: Growth scenario based on peer groups

EV/EBITDA 2028 peer valuation based on	Europe	Europe & US
Peer average EV/EBITDA (x)	11.4	12.1
EYDAP EBITDA (€m)	116.5	116.5
Implied EV (€m)	1,329	1,410
Net debt/(cash) (€m)	112.9	112.9
Equity value €m	1,442	1,523
Shares (m)	106.5	106.5
Implied value per share (€)	13.5	14.3
Current price (€)	13.68	13.68
Implied upside/downside (%)	-1.0%	4.5%

Source: Edison Investment Research, Bloomberg Intelligence

While we chose to use EV/EBITDA multiples in our scenario analysis we also acknowledge that EYDAP expects the value of any assets acquired to be added to the RAB on which it would then earn the allowed return.

Combined 2028 valuation suggests €14.2 per share

We use 2028 as our valuation reference year, reflecting both the expected timing of the footprint expansion and a 12–18-month investment horizon from Q426. The table below summarises the valuations derived from the approaches outlined above. We take the average of the 2028 valuations including and excluding the footprint expansion to account for execution risk, deriving a value of €14.2/share.

Exhibit 23: EYDAP expansion scenario

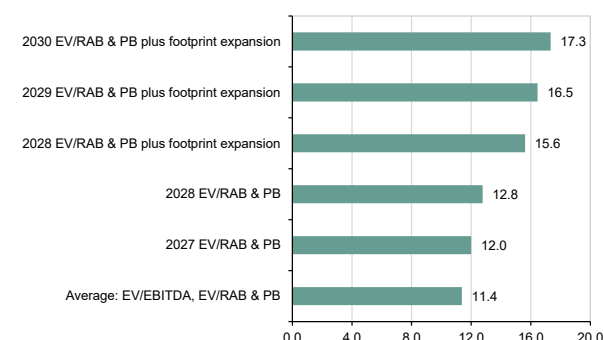
20% growth scenario	FY28 current	FY28 growth
EBITDA	97.1	116.5
net debt/(cash)	37.9	112.9
EV	1,292	1,367
EV/EBITDA	13.3	11.7
RAB	986	1,183
EV/RAB	1.9	1.2

Source: Edison Investment Research, company data

Exhibit 24: EYDAP: Valuation summary

EYDAP valuation summary, € per share	
Average: EV/EBITDA, EV/RAB & PB	11.4
2027 EV/RAB & PB	12.0
2028 EV/RAB & PB	12.8
2028 EV/RAB & PB plus footprint expansion	15.6
2029 EV/RAB & PB plus footprint expansion	16.5
2030 EV/RAB & PB plus footprint expansion	17.3
2028 Average: EV/EBITDA, EV/RAB & PB	14.2

Source: Edison Investment Research

Exhibit 25: EYDAP: Valuation summary


Source: Edison Investment Research

Robust year-to-date share price gains of more than 70% are likely the result of EYDAP's growing and reliable returns, reflected in increasing earnings and anticipated dividends underwritten by a visible investment programme, a regulatory framework that did not exist 18 months ago and some potential impact from the footprint expansion supported by the new law. The regulatory framework acts as a safety net, with the regulated asset base earning an allowed return providing a floor beneath earnings, which enables management to plan a progressive distribution with confidence.

Additional factors to consider

There are a number of additional factors to bear in mind when valuing EYDAP that may affect the share price. We expect the company to provide an update on its dividend policy and potential capital returns, and there is also scope for clarification regarding both the incorporation of inflationary elements into future tariffs in the current regulatory period, and the potential for/treatment of operational expenditure outperformance given that management would like to achieve improved operational efficiency. While the regulator has a debt/equity threshold of 50%, EYDAP has stated that 40% is its preferred maximum. Either way there is scope for increased gearing resulting in a more efficient capital structure, and it will be interesting to see how the company decides to implement this.

EYDAP said on the H126 call that it expects to provide an update on the capital structure before the end of the current financial year.

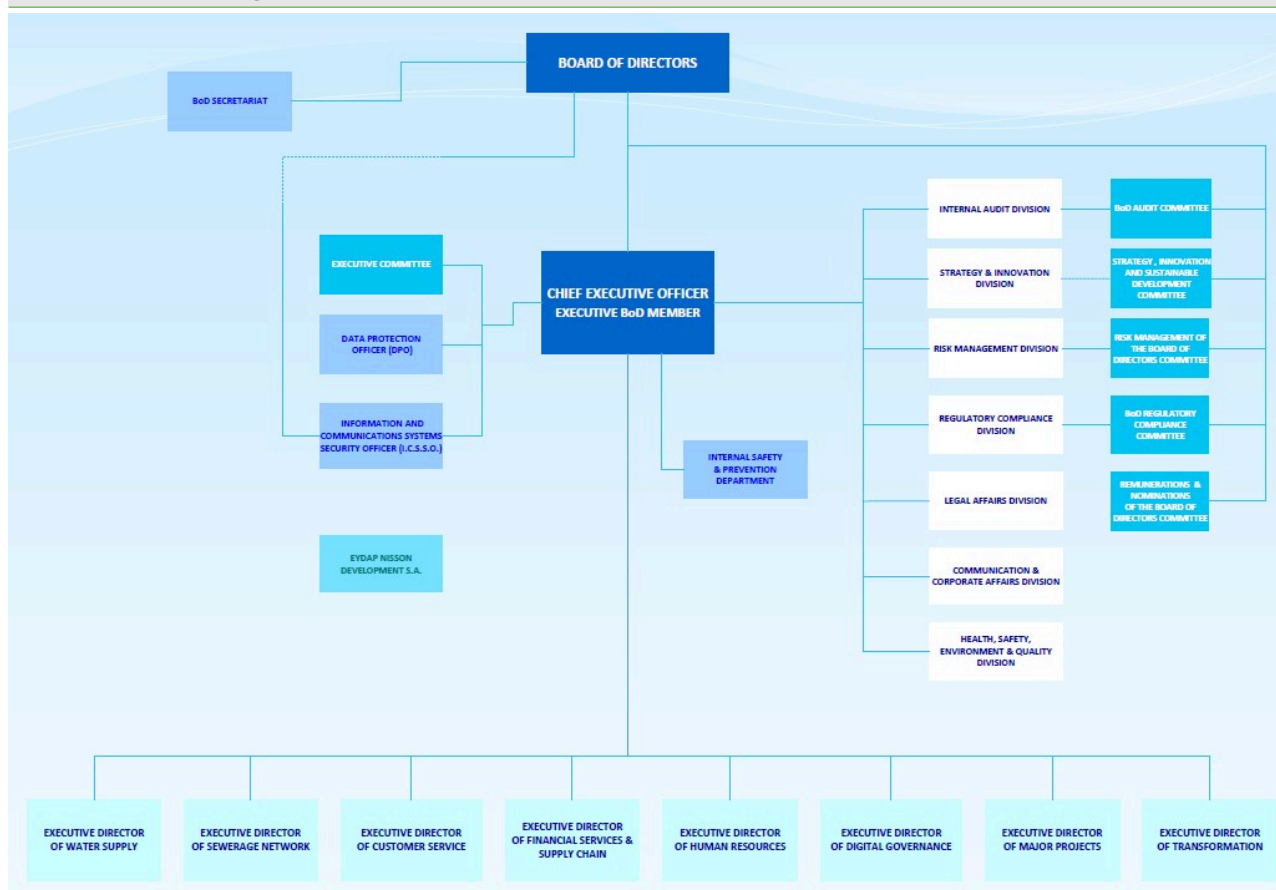
Governance and shareholder structure

Governance

EYDAP is governed as a Greek société anonyme and is supervised by the Hellenic Capital Market Commission as an Athens-listed issuer. The company is led by CEO Charalampos Sachinis, with Georgios Stergiou as non-executive chairman. The board is a mix of executive, non-executive and independent non-executive members, with the number of independents exceeding the statutory minimum, and its committees include an audit committee constituted with a majority of independents.

The central governance consideration for an equity investor is not the formal structure, which is conventional and compliant, but the consequence of majority state ownership: board nominations and remuneration are materially shaped by the controlling shareholder. The practical question is the degree to which minority interests are weighed alongside the state's, particularly where its roles as owner, grantor and regulator intersect.

Nevertheless, the company believes it has some of the most advanced governance in Greece given its comprehensive organisation, encompassing key divisional and operational reporting lines plus internal control areas, including regulatory compliance, risk management, data protection and health and safety and environment. These parts of the group report to the CEO and board, which ensures their independence.

Exhibit 26: EYDAP organisational chart


Source: EYDAP February 2026

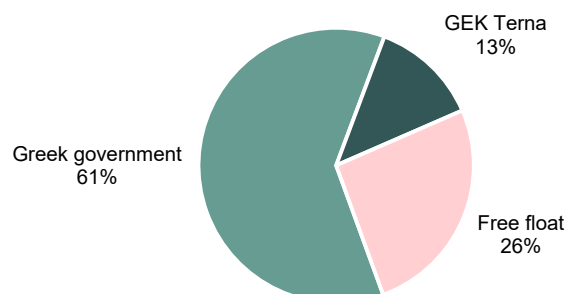
Shareholding structure

EYDAP's share capital is straightforward: €63.9m, divided into 106.5m ordinary shares of €0.60 nominal value each. The shareholder register, however, is defined by a single fact, namely the dominant position of the Greek state.

Control passed decisively to the state under Law 5045/2023, which transferred to it the EYDAP stake previously held by the Hellenic Corporation of Assets and Participations (HCAP). The state now controls 61.33% of voting rights, comprising a direct holding of 50% plus one share (53,250,001 ordinary shares) and an indirect interest of a further 11.33% via a state investment fund. The state's rights are exercised jointly by the ministers of finance and of environment and energy. EYDAP believes that the 11.33% held by the investment fund may come to the market at some point, which would help increase the free float.

GEK Terna, the Greek infrastructure group and one of the largest investors in Greece, currently owns c 12.8%. EYDAP's management believes GEK Terna has a good relationship with the government and is perceived by EYDAP to be a reasonable and rational investor. As a shareholder, GEK Terna has an incentive for EYDAP to grow, while as a leading Greek infrastructure company it is well-placed to support EYDAP's large investment programme and potentially share in its success. The remaining c 26% sits as free float listed on the Euronext Athens stock exchange, which both defines the investable opportunity and underpins the stock's liquidity. The exchange adopted the Euronext brand in April 2026 following the successful takeover of the ATHEX in November 2025.

Exhibit 27: Share ownership structure



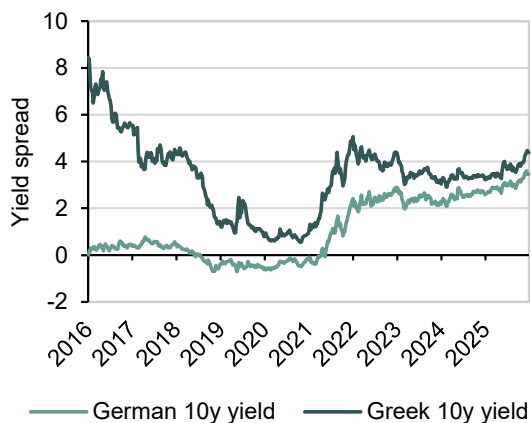
Source: Edison Investment Research, Bloomberg

The structure is worth examining because it shapes the investment case in two directions. The state is simultaneously EYDAP's controlling shareholder, its concession grantor (through the exclusive right to 2040), its raw water supplier (via EPEYDAP) and, through the RAWEW, the architect of the framework that sets its allowed revenue. On one hand, this aligns the state's interest in a financially sound utility with that of minority holders, and a controlling owner is unlikely to permit the excessive risk-taking or overdistribution that could threaten the company's ability to fund its programme. On the other hand, the same counterparty sitting on multiple sides of the relationship carries an inherent risk of misaligned incentives: unlike a purely private operator whose primary objective is profit, a state owner is also accountable to consumers and voters, and so may at the margin favour affordability, service or investment obligations over shareholder returns. That tension cannot be structured away, and it is relevant to how the historical cost claims and future tariff decisions are ultimately resolved. The controlling holding also informs dividend expectations and the likelihood, in our view low in the near term, of any change of control or strategic disposal.

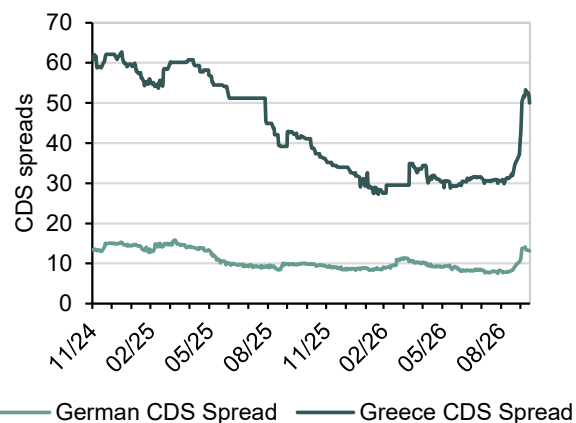
Greek sovereign and macroeconomic stability

Greece has undergone a remarkable economic transformation over the past decade. The sovereign debt crisis, which erupted in 2010 and saw Greek 10-year government bond yields peak above 35% in 2012, prompted three successive EU/International Monetary Fund bailout programmes and the largest sovereign debt restructuring in history. The country exited its final bailout programme in August 2018 and has since re-established itself as a normalised eurozone borrower. Both S&P and Fitch upgraded Greece to investment grade in late 2023, and the country has maintained those ratings since. Greek GDP growth has outpaced the eurozone average in recent years, underpinned by a recovery in tourism, a pick-up in foreign direct investment and a programme of structural reforms that have improved the business environment and fiscal position. The current government, elected in 2023 with a parliamentary majority, has signalled continuity on the reform agenda.

The bond market reflects this longer-term improvement in Greece's credit profile. The Greek 10-year government bond yield has converged sharply towards core eurozone levels, with the spread to German Bunds narrowing from approximately 870bp in 2016 to approximately 70bp today, its tightest level in nearly two decades and well inside the 10-year mean of 259bp (Exhibit 28 shows the Greek government-German Bund yield spread over the past 10 years). More recently, however, yields have risen across European sovereign bond markets, with the 10-year yield increasing to approximately 4.5% in October. While this has reversed some of the earlier improvement, Greek borrowing costs remain considerably closer to those of core eurozone economies than a decade ago. In our view, this reflects a structural improvement in Greece's sovereign credit profile, although the recent movements highlight its continued exposure to broader market conditions.

Exhibit 28: Greek and German 10-year bond yields


Source: Bloomberg Intelligence

Exhibit 29: Greek and German CDS spreads


Source: Bloomberg Intelligence

The credit default swap (CDS) market tells a similar story. The Greek five-year CDS spread has compressed significantly from its post-crisis peaks and now trades at levels consistent with stable investment-grade credit. However, spreads have widened more recently, rising from approximately 30bp earlier in 2026 to over 50bp in October, suggesting some increase in perceived sovereign risk. This matters for EYDAP because the CDS spread is a market-implied measure of sovereign default probability and, by extension, a proxy for the country risk premium that investors embed in their required returns for Greek equities. Despite the recent widening, spreads remain relatively low by historical standards, providing a more favourable backdrop against which to assess EYDAP's 6.24% regulatory WACC than prevailed during much of the past decade.

Exhibit 30: Financial summary

€m	2023	2024	2025	2026e	2027e	2028e
IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
RAB Revenue (allowed revenue)	351.6	373.7	364.7	418.1	425.3	431.3
Adjusted revenue	351.6	373.7	406.6	418.1	425.3	431.3
EBITDA	66.2	62.3	36.9	82.4	87.4	97.1
Normalised operating profit	21.5	15.0	35.5	36.8	40.4	47.4
Operating profit (U/L, Company basis, inc JVs)	21.5	15.0	(11.0)	36.8	40.4	47.4
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit	21.5	15.0	35.5	36.8	40.4	47.4
Net Interest	6.5	10.0	4.8	4.4	3.1	1.4
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	27.9	25.0	43.3	41.2	43.6	48.8
Profit before tax (U/L, Company basis)	27.9	25.0	(6.2)	41.2	43.6	48.8
Profit Before Tax (reported)	27.9	25.0	(6.2)	41.2	43.6	48.8
Reported tax	(7.7)	(10.4)	(15.1)	(11.5)	(12.2)	(13.7)
Profit After Tax (norm)	20.2	14.6	36.1	29.7	31.4	35.1
Profit After Tax (reported)	20.2	14.6	(21.3)	29.7	31.4	35.1
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	20.2	14.6	36.1	29.7	31.4	35.1
Net income (reported)	20.2	14.6	(21.3)	29.7	31.4	35.1
Basic average number of shares outstanding (m)	106.5	106.5	106.5	106.5	106.5	106.5
EPS - basic reported (€)	0.19	0.14	(0.20)	0.28	0.29	0.33
EPS - basic normalised (€)	0.19	0.14	0.34	0.28	0.29	0.33
EPS - diluted normalised (€)	0.19	0.14	0.34	0.28	0.29	0.33
EPS - (U/L, diluted, company basis) (€)	0.19	0.14	(0.20)	0.28	0.29	0.33
Dividend (€)	0.10	0.07	0.00	0.18	0.20	0.21
Revenue growth (%)	21.9	6.3	(2.4)	14.6	1.7	1.4
EBITDA Margin (%)	18.8	16.7	10.1	19.7	20.6	22.5
Normalised Operating Margin (%)	6.1	4.0	9.7	8.8	9.5	11.0
BALANCE SHEET						
Fixed Assets	952.3	980.6	1,039.5	1,153.9	1,356.9	1,607.2
Intangible Assets	4.7	5.1	5.1	5.1	5.1	5.1
Tangible Assets	783.8	807.2	847.5	961.9	1,164.9	1,415.2
Investments & other	163.9	168.4	186.9	186.9	186.9	186.9
Current Assets	527.0	523.6	483.6	469.2	391.8	282.5
Stocks	20.4	21.0	21.6	25.2	25.6	26.0
Debtors	181.7	203.8	186.3	217.0	220.5	223.3
Cash & cash equivalents	325.0	298.8	275.7	227.0	145.7	33.1
Other	0.0	0.0	0.0	0.0	0.0	0.0
Current Liabilities	(112.4)	(132.4)	(131.9)	(147.2)	(149.2)	(151.0)
Creditors	(81.2)	(98.6)	(106.2)	(121.4)	(123.5)	(125.2)
Tax and social security	(6.0)	(1.9)	(5.8)	(5.8)	(5.8)	(5.8)
Short term borrowings	0.0	0.0	0.0	0.0	0.0	0.0
Other	(25.2)	(31.9)	(20.0)	(20.0)	(20.0)	(20.0)
Long-Term Liabilities	(519.4)	(544.1)	(585.0)	(659.3)	(772.8)	(899.2)
Long-term borrowings	0.0	0.0	0.0	(16.0)	(41.0)	(71.0)
Other long-term liabilities	(519.4)	(544.1)	(585.0)	(643.3)	(731.8)	(828.2)
Net Assets	847.6	827.8	806.1	816.6	826.7	839.5
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	847.6	827.8	806.1	816.6	826.7	839.5
CASH FLOW						
Op Cash Flow before WC and tax	66.2	62.3	83.4	82.4	87.4	97.1
Working capital	(36.7)	(10.5)	(26.6)	(16.9)	0.5	0.8
Exceptional & other	0.0	0.0	0.0	0.0	0.0	0.0
Tax	(2.5)	(9.6)	(9.1)	(11.5)	(12.2)	(13.7)
Other	(5.9)	(15.5)	16.2	(8.1)	(9.8)	(12.4)
Net operating cash flow	21.0	26.7	63.8	45.9	65.9	71.8
Capex	(45.0)	(66.6)	(83.9)	(160.0)	(250.0)	(300.0)
Proceeds from subsidies	21.0	14.5	43.8	65.6	97.5	108.0
Net interest	9.4	10.7	8.5	4.4	3.1	1.4
Other	(0.8)	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)
Dividends	(2.1)	(10.7)	(7.5)	(19.2)	(21.3)	(22.4)
Proceeds from EIB loan	0.0	0.0	0.0	16.0	25.0	30.0
Net Cash Flow	3.6	(26.2)	23.3	(48.7)	(81.2)	(112.6)
Opening net debt/(cash), pre-IFRS 16	(321.8)	(324.9)	(298.7)	(275.7)	(211.0)	(104.7)
FX	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash), pre-IFRS 16	(324.9)	(298.7)	(275.7)	(211.0)	(104.7)	37.9

Source: Company data, Edison Investment Research

Contact details

EYDAP Head Office
Oropou 156, Galatsi 111 46, Greece
investor.relations@eydap.gr

Revenue by geography



Management team

CEO: Harry Sachinis

Mr Sachinis is the chief executive officer of EYDAP. He previously held the position of business development officer at Aegean Airlines. He has been involved in private equity as a partner at Global Finance, as an operating partner at Advent International and independently. Earlier he was the chairman and CEO of DEPA Group, where he significantly improved profitability, negotiated and completed major supply contracts worth \$20bn and contributed to the shaping of alternative gas supply routes to Europe. He has also served as president of the McGraw-Hill Companies' Business Information Group, which he helped make into one of the top global business-to-business information companies, specialising in the energy, construction, aviation, aerospace and defence industries.

CFO: Spyros Stamou

Mr Stamou has over 25 years of professional experience, mainly in senior management positions in Greece and abroad. Before joining EYDAP, in February 2026, as chief financial and supply chain officer, Mr Stamou served as CFO and member of the executive committee from 2024 to 2025 at the Thessaloniki Port Authority, as CFO and member of the board of directors of Telekom Romania Mobile from 2022 to 2023, and from 2019 to 2022 he was director of Accounting and Tax at Telekom Romania, with a strategic and executive role in the sale process of Telekom Romania Fixed and Telekom Romania Mobile, substantially contributing to the sale of Fixed Telephony to the Orange Group.

Non-executive chairman: Georgios Stergiou

Mr Stergiou has a degree in electrical engineering and a master's degree in environmental governance and sustainable development. He has almost 30 years of domestic and international experience covering the private and public sectors. In his professional career he has contributed, from various positions, to the implementation of performance and efficiency improvement programmes, change management and transformation processes in order to reduce costs and achieve sustainable growth in private and public companies, and has participated in complex initiatives with international organisations such as the European Commission, the European Central Bank, the International Monetary Fund, the Organisation for Economic Co-operation and Development and the World Bank.

Principal shareholders

	%
Greek state	61.3
GEK Terna	12.8

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