



## **Q1 Trading Update Preventive Maintenance Competitive Strategy Launched**

Water Intelligence plc (AIM: WATR.L) (the “Group” or “Water Intelligence”), a leading multinational provider of precision, minimally-invasive leak detection and remediation solutions for both potable and non-potable water is pleased to provide its unaudited Q1 Trading Update for the quarter ended 31 March 2025, together with a business update through to the end of April that underscores its continued growth, as well as the launch of its Competitive Strategy.

Financial Overview. For Q1, the Group continued its solid growth trajectory year-over-year with revenue increasing by 4% to \$21.3 million and EBITDA (earnings before interest taxes depreciation amortization) increasing by 8.3% to \$3.8 million. The second quarter has begun strongly with April delivering 20% revenue growth. Therefore, year-over-year through April, Group revenue has increased by 8% to \$29.1 million and EBITDA by 13% to \$4.8 million. Through April 30, EBITDA margins moved upward to 16.3% from 15.6% despite volatility in the market given US economic policies. As of 30 April, the Group’s balance sheet remains strong with \$7.4 million in cash and Net Total Debt to EBITDA Adjusted\* ratio of 1.50.

Competitive Strategy Update. During the first quarter and April, the Group reinforced its competitive strategy of creating a scalable distribution platform or a *One Stop Shop* by allocating significant capital to launch its strategic partnership with StreamLabs Water, a Chubb Insurance company. The partnership is the final piece of a puzzle that enables Water Intelligence to capture market leadership as the leading *Technology-enabled Services* company shaping the future of water infrastructure.

As a competitive strategy, the Group is now delivering a seamless, end-to-end suite of world-class solutions that achieves *proactive Preventive Maintenance* to increase water savings and lower damages from water leaks for residential, commercial and municipal customers *rather than reactive water loss mitigation*.

The Group’s unparalleled suite of integrated technology-enabled solutions features: (i) the most reliable water monitoring product via StreamLabs; (ii) robust analytics for the smart home sourced from data generated by StreamLabs monitoring devices and stored securely in the Group’s Salesforce operating system; (iii) world-class, minimally invasive leak detection and repair solutions using the Group’s proprietary acoustic tools; and (iv) subscription-based aftercare solutions that engage customers through proprietary video moments technology licensed from the Group’s affiliate SEEN.com providing proactive consumer education sought by insurance companies on water loss and “one-click” buy opportunities for the smart home for follow-through sales. These solutions will be first delivered across the US through the Group’s core American Leak Detection (ALD) business with operations in 46 states, serving over 200,000 households annually both directly and through a network of partnerships with all the leading insurance companies linked by its Salesforce operating system. The suite of solutions is applicable across the Group’s fast growing non-US operating footprint in the UK, Ireland, Canada and Australia.

Capital Allocation. The Group has the available resources to execute its *Preventive Maintenance* leadership strategy thus driving: (i) organic growth; (ii) opportunities for accelerated growth through acquisitions whether franchisees, plumbing or product companies; and (iii) buybacks of its undervalued shares.

Market Update. As previously communicated, Water Intelligence is continuing to explore options for opening a US listing. Starting in May, Water Intelligence shares may now be purchased in the US through Interactive Brokers.

### Q1 Financials

- Revenue increased by 4% to \$21.3 million (Q1 2024: \$20.4 million)
  - Franchise royalty declined 13% to \$1.6 million reflecting franchise reacquisitions reducing the pool of franchise royalties (Q1 2024: \$1.85 million)
  - Franchise-related activities (franchise sales, equipment sales, business-to-business channels) declined by 20% to \$2.2 million (Q1 2024: \$2.8 million)
  - US Corporate locations increased by 5% to \$14.3 million (Q1 2024: \$13.6 million)
  - International Corporate locations increased by 47% to \$3.1 million (Q1 2024: \$2.1 million) reflecting strong growth in Ireland
- Profit Before Tax (Statutory) declined by 6% to \$1.9 million (Q1 2024: \$2.0 million)
- Profit Before Tax Adjusted\* declined by 2% to \$2.47 million (Q1 2024: \$2.51 million)
- EBITDA (Statutory) increased by 8% to \$3.8 million (Q1 2024: \$3.5 million)
- EBITDA margins at 17.7% (Q1 2024: 17.0%)
- EBITDA Adjusted\* increased by 10% to \$4.1 million (Q1 2024: \$3.8 million)
- EBITDA Adjusted\* margins at 19.5% (Q1 2024: 18.5%)
- Balance sheet strength at 31 March 2025
  - Cash at \$6.7 million
  - Net Total Debt to EBITDA Ratio of 1.81
  - Net Total Debt to EBITDA Adjusted Ratio of 1.58

### Subsequent Events

- Financial: Strong April results leading YTD through to April 30 results to rise significantly
  - Revenue increased by 8% to \$29.1 million (April YTD 2024: \$26.9 million)
  - Profit Before Tax declined by 2% to \$2.17 million (April YTD 2024: \$2.21 million)
  - Profit Before Tax Adjusted\* increased by 1% to \$2.87 million (April YTD 2024: \$2.85million)
  - EBITDA increased by 13% to \$4.8 million (April YTD 2024: \$4.2 million)
  - EBITDA margin at 16.3% (April YTD 2024 15.6%)
  - EBITDA Adjusted\* increased by 13% to \$5.2 million (April YTD 2024: \$4.6 million)
  - EBITDA Adjusted\* margin at 17.7% (April YTD 2024: 17.0%)
  - Cash at \$7.4 million
  - Net Total Debt to EBITDA Ratio of 1.73
  - Net Total Debt to EBITDA Adjusted\* Ratio of 1.50
- Operational
  - Dallas headquarters for ALD opened 15 May

\* EBITDA adjusted for non cash share based payments and non-core costs; PBT adjusted for non cash expenses of amortization, share based payments and non-core costs

Commenting on the Group's performance, Executive Chairman, Dr. Patrick DeSouza remarked:

“We have launched a defining partnership with Chubb/StreamLabs and now have the capability to execute a true integrated platform with operations across the US and multinationally, through which we can lead the future of water infrastructure services. *Preventive Maintenance*, rather than *Reactive*

*Mitigation*, is where the industry is headed to both conserve water and to limit the damage from water leakage. Now, as the leading Technology Enabled Service platform for water infrastructure solutions, we have a complete package for residential, commercial and municipal customers: wireless monitoring, secure data and analytics, pinpoint minimally invasive leak detection and repair and aftercare with continuous customer engagement through video moments technology.

Importantly, while integrating our robust platform to capture market leadership in Preventive Maintenance, we remain focused on continuing to grow revenue and profits, while retaining a strong balance sheet with which to execute our competitive strategy.”

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