

PRESS RELEASE

Zagrebački Holding Continues Positive Business Performance for the Third Consecutive Year

The Zagrebački Holding Group has published its business results for 2024, marking the third consecutive year of positive performance. Net profit reached EUR 27.20 million, the highest recorded under the current Management Board, and an increase of EUR 10.86 million (66%) compared to the previous year (2023: EUR 16.34 million).

At the same time, the Group achieved earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 113.50 million, representing a 23% increase over the previous year (2023: EUR 92.07 million).

In 2024, the Zagrebački Holding Group generated EUR 846.65 million in operating revenues, 8% more than the previous year, and EUR 788.79 million in operating expenses, which is a 5% increase compared to 2023. The average number of employees in the Group rose by 6%, primarily through the hiring of operational staff. As a result, labor costs increased by EUR 37.78 million, or 21%, influenced significantly by improvements in employee benefits.

“At the beginning of our term, the Management Board of Zagrebački Holding initiated a transformation of the Company. In addition to measures for financial stabilization and operational reorganization, we improved operations and reversed previously negative trends. We inherited a company that posted a record loss of over EUR 100 million in 2021, and these results mark the completion of the recovery cycle,” said Ivan Novaković, President of the Management Board of Zagrebački Holding.

“The consistent positive financial results provide a foundation for further debt reduction, as well as for negotiating better financing terms for inherited obligations, while also enabling increased investment,” he added.

In 2024, the Group continued its accelerated financial deleveraging. Net debt was reduced by EUR 79.86 million compared to the previous year, through regular loan and lease repayments, early repayment of the syndicated loan principal in the amount of EUR 30.60 million, and an increase in cash holdings of EUR 27.15 million. At the same time, investments totaling EUR 70.21 million were carried out during 2024.

“A period of development lies ahead for Zagrebački Holding. In addition to maintaining public green spaces and waste collection services, investments will significantly expand into road maintenance activities, the development of water and gas infrastructure, and the digitalization of operations. A significant portion of investments will also be directed towards renewable energy projects, further demonstrating our commitment to sustainability goals,” said Novaković.

Among strategic projects, in 2024 the Group increased capacity for separate waste collection by installing underground containers, began installing semi-underground containers, and acquired new waste collection vehicles.

Furthermore, in August 2024, the company ViO took over management of the Central Wastewater Treatment Plant of the City of Zagreb. With the termination of the concession and the takeover of the plant, a key precondition was met for the construction of a Waste Management Center at that location, which will enable the final closure of the Prudinec – Jakuševac landfill. In 2024, preparatory activities also continued for infrastructure modernization projects, including "Project Zagreb 2021–2027"—the largest investment in water utility infrastructure—and the construction of the Klaićeva parking garage.

The Group also demonstrated adaptability and resilience by successfully transitioning Gradska plinara Zagreb – Opskrba (GPZO) to market-based gas supply services under competitive conditions. GPZO restructured its business model following the change from a public service obligation supplier and managed to retain 178,000 customers—over 80% of its target base—while maintaining positive financial performance.

Zagrebački Holding's strong business performance was recognized by international credit rating agencies, with both Moody's and Standard & Poor's upgrading the Group's credit rating in 2024.

"I would like to thank all of our employees who work hard every day, contributing to the financial recovery of Zagrebački Holding and to the growing satisfaction of citizens with the quality of our utility services," Novaković concluded.

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