



TARENO
Global Water Solutions Fund

Fund Manager Review

August 2025

Tareno Global Water Solutions Fund – August 2025 Investor Newsletter

Keeping it flowing: key sector updates and market movers

Regulatory Tides: Governments Set the Flow

Global water issues dominated August discussions. At World Water Week 2025 (Stockholm, 24–28 Aug), experts from government, utilities and finance stressed the water–climate nexus and financing the UN Sustainable Development Goal, SDG6, (clean water and sanitation) initiatives. In Europe, new research funding and policy focus emerged: for example, the EU LIFE programme backed several pilot projects to remediate PFAS and micro-pollutants in contaminated water supplies. Meanwhile [EurEau](#) and [Water Europe](#) (two organizations promoting sustainable water management and innovation in Europe) continued to press for a “water resilience” strategy in the face of droughts, echoing Commissioner Roswall’s call for integrated water-climate policy. The EU also published funding for innovation on reuse and sensors to support its planned Water Resilience Strategy.

In the US, EPA actions reflected rising concern over contaminants. The EPA announced plans to **extend compliance deadlines** for PFOA/PFOS drinking-water regulations and to ramp up “*PFAS OUT*” outreach to small systems. The agency earmarked nearly US\$ 1 billion in grants for PFAS reduction and beach monitoring and promoted new cybersecurity guidance for water utilities. Cross-border issues drew attention too: the US-Mexico “Transboundary Sewage Crisis” led to a bilateral agreement to build treatment near Tijuana.

Key regulatory signals also came from global networks. UN-Water continues to promote water for climate action, and international bodies (World Water Council, WaterAid) emphasized investment needs to achieve SDG6.

Strong Currents in Company Results

Recent reports showed generally healthy demand for water-related businesses in North America and Europe.

Watts Water (plumbing and water-quality equipment) delivered record Q2 sales of US\$ 644M (+8% YoY), with operating income up 21% and diluted EPS +23%. Management raised full-year guidance, citing price increases and strong order flows in the US, partly offset by softness in Europe. The company also completed its June acquisition of EasyWater (water filtration systems), bolstering its water-treatment portfolio.

Stantec (engineering/environmental services) saw revenue of CAD 1.6MM (+6.9% YoY), driven by solid growth across all regions. Notably, its Water business grew 12.4% organically – outpacing other divisions. Stantec’s CEO cited diversified demand (water, energy/infrastructure) and raised 2025 guidance after closing two acquisitions (Ryan Hanley and Page).

Advanced Drainage Systems (ADS) (stormwater/drainage solutions) had mixed results: total revenue dipped slightly, but its Infiltrator segment (decentralized wastewater treatment) surged +10.6% YoY, reflecting strong demand for septic and reuse systems. ADS’s adjusted EBITDA-margin held steady at 31.4%. Management reaffirmed 2025 guidance given robust U.S. infrastructure spending (e.g. America’s Water Infrastructure Act).

York Water (U.S. utility) reported modest growth. For H1, revenue was up, but profits fell on higher O&M costs. York plans US\$23.8M of 2025 capex for system upgrades (pipelines, new treatment), targeting future reliability.

Mueller Water (US valves/meters) raised 2025 sales guidance, noting healthy pricing and tackling supply-chain costs.

In Europe, results were relatively stable:

Wienerberger (Austrian bricks and drainage) sales rose 6% to €2.3MM, though EBITDA dipped slightly. The full-year guidance was kept (ERU 800M EBITDA).

GEA Group (German process/filtration tech) saw Q2 orders +1.5% and organic revenue +1.5%, with EBITDA +8% (EUR 217M, margin 16.5%), prompting a bump in full-year outlook.

Geberit (Swiss sanitary systems) reported 1H sales of CHF1.67MM (+1.7%). EBIT margins held firm aside from a one-off plant closure charge. Management reaffirmed its 4% sales growth and 29% EBITDA margin guidance for 2025.

Japan's chemical/industrial firms saw more mixed results:

Kuraray (materials) posted weaker than expected sales and profit, citing yen effects and soft demand.

Toray missed expectations due to on-off factors (delayed shipping). The stock dropped by almost 10%, which we saw as an overreaction and used to add to our position.

Ebara (pumps/water equipment) bucked the trend with record orders and revenues, driven by its Environmental Solutions unit.

In Brazil, **Sabesp** (São Paulo water utility) reported solid numbers on tariff hikes, higher sales volumes and cost cuts. Over three months, the utility added 161k new water/sewer connections, highlighting rapid network expansion.

In summary, companies mostly reported solid underlying demand and disciplined cost control, especially in US water markets. Where Europe lagged (e.g. Watts Europe, Geberit), firms pointed to emerging private and public infrastructure spending as offsets. There were no glaring conflicts in outlook: most agree on continued investment in water infrastructure, albeit with caution on input-cost inflation and geopolitical uncertainty (e.g. US tariffs).

Climate and ESG

Environmental, social and governance issues remained a key theme. On the **social side**, high-profile campaigns continued to spotlight water access. Celebrity-led philanthropy launched new campaigns: YouTubers MrBeast and Mark Rober backed WaterAid's #TeamWater campaign, aiming to raise US\$40M by month-end to bring clean water to 2 million people in need.

Governance and regulatory scrutiny were underscored by the UK Thames Water case (threat of special administration), reinforcing investor interest in utility financial health and sustainability practices. Meanwhile, corporate players continued projects aligned with ESG objectives. For instance, **ADS** is expanding plastic recycling with a new plant in Georgia, while **Suzano**, the world's largest paper producer, has partnered with **Veolia** to introduce advanced water treatment at its new pulp facility in Brazil, enhancing efficiency, sustainability, and environmental stewardship. Meanwhile, **Sabesp** reported that its investments and

privatization efforts have brought water service to 1.3 million additional people and sewage access to 1.4 million.

In this context, investors should note both the growth potential of “green” water tech (PFAS cleanup, reuse, circular water) and the political risks (stringent new standards, as in PFAS regulation or UK utility regulation) that are influencing company strategies.

Staying Nimble

Geopolitical uncertainty, central bank noise, interest-rate debates and tariff tensions continue to ripple through markets, so we remain disciplined and selective. September can be a tricky month for stock markets. Consequently, we are keeping some powder dry to take advantage if fear sparks opportunities. Our focus stays on fundamentals as our mantra stands: In water, we must think secular, but act cyclical.

Thank you for your trust in the Tareno Global Water Solutions Fund. We’ll keep monitoring the flow – and the value it brings.

Best regards,

Stefan Schütz



Stefan Schütz has been managing the Tareno Global Water Solutions Fund since July 2021. In addition, he is responsible for fundamental equity research in the investment team. Stefan Schütz started his career in the financial industry in 1997 at Bank CIC before joining the Tareno Investment Team shortly after the launch of the Tareno Global Water Solutions Fund in November 2007. Stefan Schütz is a Certified International Investment Analyst (CIIA).



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