

Executive Insights—Building a Platform for Nutrient Removal



Axius Water is a leading water treatment platform focused on nutrient removal. Owned by KKR and XPV Water Partners; and through a series of acquisitions, Axius has assembled a portfolio of solutions and companies that include EDI, EOSi, Nexom, Napier-Reid, Atac, and TriplePoint.

Year founded: 2019

Headquarters: Massachusetts

Number of employees: 300+

CEO: Chris McIntire

In this issue, we had a chance to spend time with a friend of the firm and seasoned water executive, Chris McIntire, who has decades of experience building and growing water companies. Chris shares his background and vision of building one of the leading and lesser-known platforms in the water sector.

Q. Chris, you joined Axius almost three years ago, helping to assemble one of the more unique and interesting water treatment companies. How would you describe your vision, and where do you see Axius going over the next three years?

Axius Water is in its fourth year of operation. Our vision was to build a platform of businesses with proven expertise around nutrient removal in wastewater. We have achieved many of our goals despite the turns and obstacles that COVID presented. In 2024, we are over 300 people strong, operating as six individual companies in three countries, unified by our nutrient removal mission.

The nutrient removal process and equipment is complicated, requiring deep technical knowledge and understanding of local and regional regulations. Customers trust companies with solid reputations and proven expertise like our six operating company brands who are instantly recognized in the market. We have worked hard to preserve these brands, keeping the teams and the culture while continuing to fuel the spirit that has built these reputations; investing in tools that enable them to reach more customers and solve more problems.

Preserving the brand reputation and keeping the teams focused on their

specific areas of expertise is critical to our ongoing success. Our growth has been driven largely by increasing scale and reach as well as by combining the offerings from our operating companies to create more unique products and solutions.



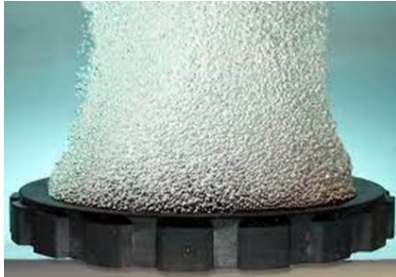
When combined, our businesses have enabled customers to prevent 1 billion pounds of nutrients from entering water bodies around the world since 2020. According to the EPA, in the last six years, eutrophication in US lakes fell from 70% to 40%. Axius has had an outsized impact on nutrient removal by sharing best practices and expertise while collaborating on finding the best solutions for customers.



The wastewater space is rich with smaller, nimble, competent suppliers that are solving critical nutrient removal problems. We will continue to seek these companies out to add them to our group. In another three years we will be larger and will

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have more to offer. We will not abandon our brands and we will not get in the way of our experts directly interacting with customers to solve their problems.



Q. How do you think Axius differentiates itself from the other companies in the sector?

There are two levels of differentiation to discuss. Our operating companies are really the best in each of their areas of application expertise. The teams have deep knowledge, gained on the ground, and they know how to bring solutions to customer's sites. Water is a global challenge but it is solved one project at a time, locally! Our operating companies are transparent, dedicated, experienced and focused on solving our customer's problems.

At the Axius Water level, we simply love the operating companies that make up our business and we want them to continue to focus on customer's issues. Axius looks to help smaller companies grow to the next level by providing them with back-office support such as best in class legal, finance, IT, HR, and unified CRM/marketing tools. We assist with all the things that stop small companies from becoming larger. In the water space, there are few

companies in the "medium" sized range. You find small companies and then very large companies. Axius Water is the exception.

Q. You have a great and interesting background. How would you describe your journey and how would you describe the differences from working at entrepreneurial companies to fortune 500 to PE run companies?

Small companies are special and need to be supported, nurtured and respected. I have had the benefit of working for small companies – 4 people is the smallest – and large companies, Xylem's predecessor, ITT was 12,500 when my company was acquired. I have always found my way to entrepreneurial companies or groups regardless of what organization they fit into.

I have come to believe that the secret to success in small companies is passion and focus. It is important to preserve these attributes while making them scalable and efficient. This sets these businesses up for success for the transition into larger entities, we are building a company that does just that.



Q. What lessons have you learned over the years about the

challenges of growing a water business?

The water business is a bit unique. While it grabs headlines, focus and interest, it can also be slow and frustrating at times. Many of our customers are municipal and dealing with government entities is challenging and not always driven by the norms of business. Projects come and go and business can come in waves. In the end, those who stay in the water space are typically the committed folks that value what they do beyond merely the financial. Long term water professionals derive their grit and determination from the sense of satisfaction they get from improving our communities and our planet by focusing on water.

Q. How has this unique partnership with KKR and XPV helped Axius?

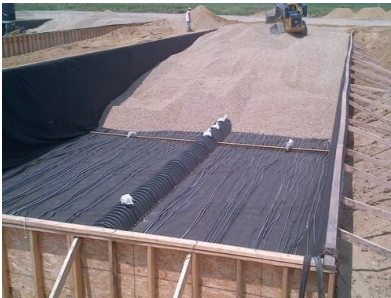
Axius Water is quite fortunate to have 2 partners that support our efforts to build a Nutrient Removal group. KKR is our lead partner and brings business process expertise, sustainability expertise and resources that can solve most any problem. XPV Water Partners balances all of that expertise with decades of water market knowledge. It is a truly powerful combination. Our BOD meetings can be lively but the team is supported across our spectrum of needs. I think our progress is a great indicator of the strength and applicability of our BOD.

Q. For a company your size, you also have an impressive board.

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How has the board supported you, and would you share the benefits of having board diversity, with three female board members?

Axius Water is well supported by the diversity and talent of our board; 3 members also happen to be female. With their decades of experience in the water and wastewater space, they support us by offering their differing views, historical perspective, and key relationships. Recently, Axius Water decided to compete for the GWI Water Technology Company of the Year; one of the board members met with our team to offer her talent and perspective that ultimately led to being short-listed among other great companies like Grundfos and Siemens.



Q. Chris, you have seen a lot in the sector over the years, what gets you most excited about the sector over the next five years?

The interest in the water sector has intensified in the past 5 years or so and there are some positive developments. I have seen a deeper understanding of the need for dedicated, specialist teams that can stay focused and close to customers. I have seen less of a move to consolidate and re-brand and more awareness of

the power of nimble groups. I am excited to see the experts that support all of our water efforts being recognized and unveiled as drivers of important improvements to our collective water treatment efforts. I love that the folks doing the work are beginning to get the credit!

- Thank you, Chris



Full Suite of Solutions for Nutrient Removal

**Aeration/
Diffusers**

**Clarifiers
(Integrated)**

DAFs

MBRs

MBBR/IFAS

SBR