2019 Results

SACYR INCREASES ITS CONCESSIONARY PROFILE AND RAISES ITS EBITDA TO €680 MILLION (+25%)

- **Net profit from the company's activities grows by almost 50% to €120 million. However, the group's net profit closes the year at -€298 million, due exclusively to the accounting impact caused by the holding in Repsol**
- **The company accentuates its concessionary profile. 80% of EBITDA comes from concessionary assets with low demand risk**
- **Sacyr improves the profitability of its businesses, which stands at 16.3%, two percentage points higher than in the previous year**
- **The company's future revenue backlog grows to €42.965 billion**
- **Net debt with recourse falls by 25% in 2019, from €1.138 billion to €848 million**
- **The strength of the results and of the business allow the resumption of regular dividend policy. In 2019, two dividends were paid as scrip dividends. The annual return stands at around 5%**

Madrid, February 28, 2020.- Sacyr achieved **an EBITDA of €680 million in 2019, up by 25%** compared with the previous financial year. Revenue grew by 10% over the year, to €4.17 billion.

The **net profit generated by the businesses** was €120 million (+48%), but the **group's share of net income** was -€298 million, due to the impact of -€354 million caused by the holding in Repsol. This is exclusively an accounting impact, which does not affect the company's cash flow, the operation of the businesses, the dividend or the group's strategy. The **active management of derivatives** that protect the participation in Repsol has allowed monetizing more than 70 million euros of cash for the group.

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In 2019, Sacyr made progress in **the achievement of all its objectives**. Sacyr placed the **focus on the concessionary businesses**, and this is reflected in its income statement: 80% of EBITDA, amounting to €538 million, came from concessionary activities in the past year.

In addition, the growth of the main indicators was accompanied in 2019 by an **improvement in the profitability of the businesses**, which is another of Sacyr's key objectives. The EBITDA margin increased by two percentage points over the year, reaching 16.3%.

2019 was marked by Sacyr's focus on **cash generation**, another of the objectives enshrined in the 2015-2020 Strategic Plan. Operating cash flow grew by 24% in 2019, reaching €510 million. Since 2016, this figure has grown by 227%.

Strong growth of activities

In 2019, Sacyr recorded solid growth in its main business areas. The **EBITDA** of Engineering and Infrastructure grew by 50%, while for Services it was up by 15% and for Concessions by 22%. The Industrial division reduced its EBITDA by 36% following the completion of major projects in progress.

A global revenue backlog

The backlog of future revenue closed the year at **€42.965 billion**. By geographic area, America accounts for 47% of the backlog and Europe for 50%, with 3% located on other continents.

During 2019, the company was awarded large projects in all its divisions. The most noteworthy of these include the construction and operation of the Los Vilos-La Serena highway, the concession of the Chacalluta de Arica Airport and the construction of the Provincia Cordillera and Sótero del Río hospitals (Chile), the construction and concession of the Central Railway (Uruguay), the tram system extension in Edinburgh (United Kingdom) and the cleaning and waste collection system in Santa Cruz de Tenerife (Spain).

Recourse debt down by 25%

The group's n**et debt with recourse decreased by 25%** in 2019, from €1.138 billion to €848 million; the net debt stood at €4.315 billion at the end of December, representing an increase of 6.6%, due to the company's investment activity in new concessionary projects (80% of very long-term debt linked to projects).

The company continued with its **strategy of rotation of mature assets**, and during the past year sold its holding in Itínere for €202 million, 49% of its holding in seven Chilean

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assets for €440 million including debt, and power generating plants in Spain and assets in Portugal for a total of €220 million.

In addition, after the close of the year, the sale of 47.5% of Guadalcesa was formalized, and an agreement was reached for the sale of a further 47.5%. The total amount of the two transactions is €455 million, included debt.

Sacyr is maintaining a **regular dividend policy** which in 2019 distributed €0.105 per share, 2% more than in the previous year. In total, the return per share was around 5%.

Change by business area

Concessions.- Sacyr Concessions recorded revenue of €1.007 billion, 27% higher than in 2018.

Of the total, €511 million came from concession revenue, which grew by 18% as a result of the start of operations at Tepual and Chacalluta airports (Chile), the improvement in highway traffic figures and the good operational progress of the assets.

The remaining €496 million (+38%) came from construction revenue, which grew strongly due to the execution of projects in Colombia, Mexico, Uruguay and Chile.

EBITDA reached €331 million, up by 22%.

The backlog of future revenue was €30.028 billion, representing an increase of 11%. The most significant new concessions won in 2019 include three assets in Chile – Route 66, Route 5 and Arica Airport – contributing a backlog of €3.762 billion. In Uruguay, the Central Railway project contributes future revenue of around €2.2 billion.

During 2019, Sacyr Concessions made substantial investments in seven of its assets, amounting to more than €3.7 billion.

Engineering and Infrastructure.- The turnover of this division reached €2.074 billion, with growth of 21% compared with 2018.

EBITDA grew by 50% to €253 million, while the EBITDA margin improved to 12.2% compared with 9.8% in the previous year.

The **backlog of this division** reached €7.134 billion, up by 15% compared with December. This represents 41 months of activity. The backlog is distributed as follows: 40% in Europe (Spain 12%), 50% in Latin America, 6% in the USA, and 4% in the Middle East and Africa.

A number of outstanding major projects were awarded to us throughout the world in 2019. The following are among the most significant:

- In **Chile**, the construction of the Los Vilos-La Serena highway (€331 million), the Sótero del Río and Provincia Cordillera hospitals (€328 million and €153 million respectively) and the expansion of the Chacalluta airport (€61 million).
- In **Uruguay**, the construction of the Central Railway (€735 million).
- In the **United Kingdom**, the extension of the Edinburgh Tramway (€120 million).
- In the **USA**, the renovation of a section of the IH35E highway in Texas (€102 million).
- In **Italy**, the construction of the Polyclinic Hospital of Milan (€155 million).
- In **Portugal**, the construction of the South International Corridor railroad (€130 million).
- In **Spain**, several building projects amounting to €125 million; the construction of the Arejos-Níjar stretch of the AVE of the Mediterranean Corridor (€98 million); the maintenance, construction and electrification of several railway lines (€96 million); and the construction of the new building joining terminals 1 and 2 of the Tenerife Sur airport (€44 million).

Services.- The revenue of this division grew by 5.7% to €1.137 billion. EBITDA reached €109 million (+15%), with contributions from all areas: Environment (+24%), Multiservices (+27%) and Water (-4%). The EBITDA margin increased from 8.8% to 9.6%.

The Services backlog closed the year at €5.124 billion. The intense sales activity led to the award of important contracts throughout the world. In Spain, the division was awarded the road cleaning, waste collection and transport service for the city of Santa Cruz de Tenerife. The total amount is for €142 million over a period of eight years, renewable for a further two years. The division also won the cleaning services contracts for terminals 1, 2 and 3 of the Adolfo Suárez airport in Madrid and for the El Prat airport in Barcelona, amounting to €104 million.

In Chile, it increased its facilities backlog by more than €30 million and its highway maintenance backlog by €13 million, as well as winning highway maintenance contracts in Peru worth €18 million.

Industrial.- The revenue of the Industrial division reached €352 million (-33%), with an EBITDA of €23 million (-36%). These figures are marked by the completion of large projects in the backlog, such as Nuevo Mundo and La Pampilla (Peru) and the Sohar desalination plant (Oman). In 2019, the Industrial division divested from nine electricity generation and cogeneration plants in Spain, although it will continue to perform the operation and maintenance of these assets.

The Industrial backlog stands at €679 million. Among the contracts awarded in 2019, the company's entry into the Peruvian mining sector was particularly noteworthy, with a contract at the Quellaveco copper mine. In addition, Sacyr signed several contracts for the construction of renewable energies in Chile and Bolivia.

KEY FIGURES

CONSOLIDATED INCOME STATEMENT (Thousand of Euros)	2019	2018	% Chg 19/18
Revenue	4.169.467	3.795.717	9,8%
Other income	367.192	322.391	13,9%
Total operating income	4.536.659	4.118.108	10,2%
External and Operating Expenses	-3.856.901	-3.574.819	7,9%
EBITDA	679.758	543.289	25,1%
Depreciation and amortisation expense	-254.126	-138.030	84,1%
Trade Provisions and non recurring items	15.350	-40.376	-138,0%
NET OPERATING PROFIT	440.982	364.883	20,9%
Financial results	-315.920	-247.260	27,8%
Forex results	5.798	48.206	-88,0%
Results from equity accounted subsidiaries	-259.841	200.979	-229,3%
Provisions for financial investments	11.317	-57.600	n.a.
Change in value on financial instruments	-112.682	-11.140	n.a.
Results from sales of non current assets	46.486	-12.544	n.a.
PROFIT BEFORE TAX	-183.860	285.525	n.a.
Corporate Tax	-89.327	-77.098	15,9%
RESULT FROM CONTINUING OPERATIONS	-273.187	208.427	n.a.
RESULT FROM COMPANIES WITH DISCONTINUED OPERATIONS	0	0	n.a.
CONSOLIDATED RESULT	-273.187	208.427	n.a.
Minorities	-24.546	-58.030	-57,7%
NET ATTRIBUTABLE PROFIT	-297.733	150.398	n.a.

Gross margin	16,3%	14,3%

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