

## PRESS RELEASE

# Elecnor reports net profit of EUR 37.2 million in the first half of 2019

- Net profit increased by **5%** compared to the same period in the previous year.
- The backlog reached EUR 2,237 million.

**Madrid, 30 July, 2019.-** Spanish infrastructure, energy and telecommunications group Elecnor has ended the first half of 2019 with **consolidated net profit of EUR 37.2 million, which represents an increase of 5%** compared to the figure reported in the same period of the previous year. This growth was driven by the strong performance of both of the company's business lines: Infrastructure and Concessions. In this regard, the most notable aspect is the positive trend in the company's operations at its head office in Spain as well as at its permanent offices in other countries, including Elecnor's subsidiaries in overseas markets such as the United States, Brazil, Chile and Australia, among others.

**Earnings before interest, tax, depreciation and amortisation (EBITDA)** reached EUR 152.6 million, **increasing by 6.8%** compared to the figure reported in June 2018 (EUR 142.9 million). This significant growth is primarily due to the strong performance of the aforementioned operations.

In the first half of 2019, **net revenues** reached EUR 1.070 billion, **1.1% higher** than the figure reported in the same period of the previous year. Elecnor maintains its position as a leader in the domestic market and is continuing its decisive internationalisation process. As such, 54% of the Group's sales originates from overseas sales.

In this regard, the Group's results in international markets were driven by growth in Italy and the United Kingdom, greater presence in Africa, strong performance of subsidiaries in the United States, and the construction of two railway tunnels in Norway and wind farms in Panama, Jordan and Mauritania.



## Increasing order intake and a significant backlog

With regard to order intake, the Infrastructure and Concessions business lines performed strongly during the first half of the year. In terms of **Infrastructure**, Elecnor maintains its position as a leader in the domestic services market for major electricity and telecommunications operators. The Group has intensified its activity in the electricity sector. Elecnor has been awarded the construction of several wind farms: one 50-MW facility in the municipality of Cofrentes (in the Valencia region), which is the first wind farm to be built in the region in the last eight years; and six in Zaragoza (with a combined capacity of 231 MW) developed by Forestalia.

In terms of the **Concessions** line of business, the first half of the year was marked by the strong performance of Celeo Redes' subsidiaries in Brazil and Chile. The Group has commenced the construction of six solar power plants in the state of Piauí (Brazil) and is constructing new power transmission projects in Chile.

Meanwhile, Elecnor's wind power subsidiary, Enerfín, signed 20-year power purchase agreements in Brazil for two new wind farms in the state of Río Grande do Norte, which has enabled it to commence construction of its first wind farm projects in that region of the country. Given the Group's continued activity in Australia, Enerfín has also initiated a 73-MW wind farm project in Woolsthorpe, Victoria.

Meanwhile, the **backlog**, whose implementation is expected to occur within the next 12 months, reached EUR 2,237 million (vs. EUR 2,229 million as of 31 December 2018), 78% of which originated from outside of Spain and the remaining 22% from the domestic market.

The figures reported and the backlog enable us to maintain our objectives of increasing sales and profit in the full year 2019 compared to the previous year.

## About Elecnor

Elecnor is one of Spain's leading business groups in the infrastructure, renewable energy and telecommunications sectors. With over 60 years of continuous growth and a presence in 55 countries, Elecnor operates in various sectors including electricity, renewable energy, telecommunications, gas, industrial plants, railways, water, control systems, construction, the environment, installations maintenance and even aerospace engineering. Elecnor's strong international focus has led the company to embark on a continuous expansion process that has opened doors to new markets around the world. Elecnor, which is quoted on the Continuous Market, has a highly qualified team of professionals and a total workforce of 13,889 employees. In 2018, the company reported revenues of EUR 2.2731 billion and consolidated net profit of EUR 74.3 million. For more information, please visit [www.elecnor.com](http://www.elecnor.com)

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**KREAB**

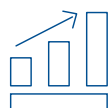
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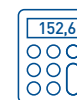
# First Half 2019 Results



## Key figures in the period



Net profit  
 EUR **37.2** million  
 (+5%)



Ebitda  
 EUR **152.6** million  
 (+6.8%)



Sales  
 EUR **1,070.3** million  
 (+1.1%)



Order book  
 EUR **2,237** million  
 (+0.3%)

### Internationalisation



Sales in international markets  
**54%**



Order book in international markets  
**78%**

# Summary

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This is Elecnor

# Key performance indicators



# Net profit up 5% to EUR 37.2 million



This increase was due to the strong performance of the Group's businesses



## Infrastructure

### Domestic

- Elecnor maintains its position as a leader in the domestic services market for major electricity and telecommunications operators.
- A 50-MW wind farm in Valencia region.
- Six wind farms in Zaragoza of 231 MW.
- Important contracting in the public sector, especially with Aena and Adif.

### International

- Growth in Italy and the United Kingdom in electricity and telecommunications activities.
- Greater presence in Africa.
- Strong performance of subsidiaries in US **Elecnor Hawkeye** and **Elecnor Belco**.
- Construction of two railway tunnels in Norway.
- Wind farms in Panama, Jordania and Mauritania.

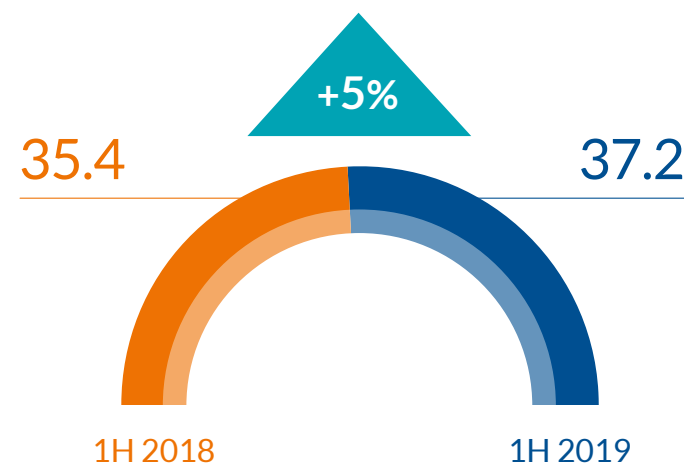


## Concessions

- Strong performance of **Celeo Redes'** subsidiaries in Brazil and Chile.
- Boosting activity of **Enerfín**, the Group's wind subsidiary, in Brazil and Australia.

## Net profit

Figures in millions of euros

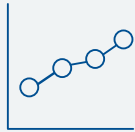


Cost control and containment policy

Digitalisation Project

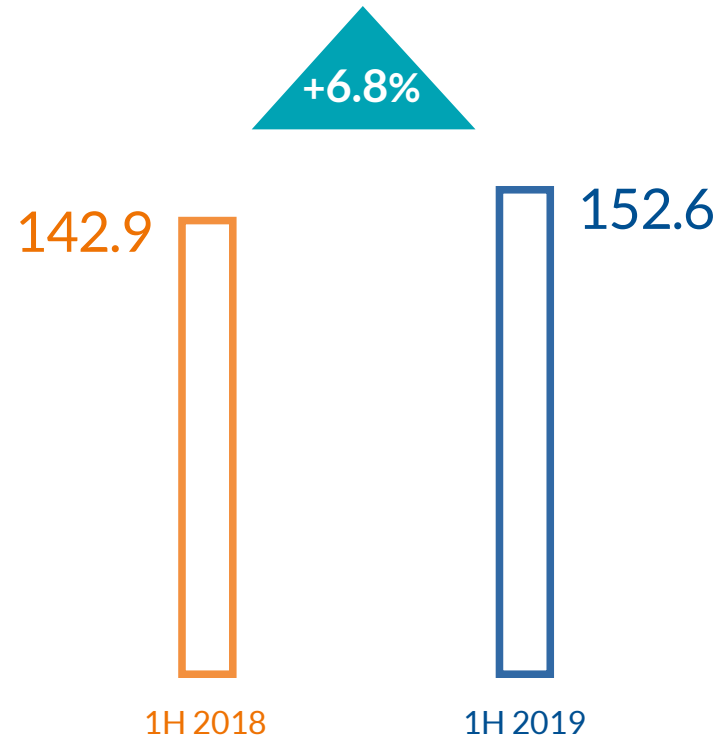


EBITDA was up by **6.8%** to EUR **152.6 million**



## EBITDA\*

Figures in millions of euros



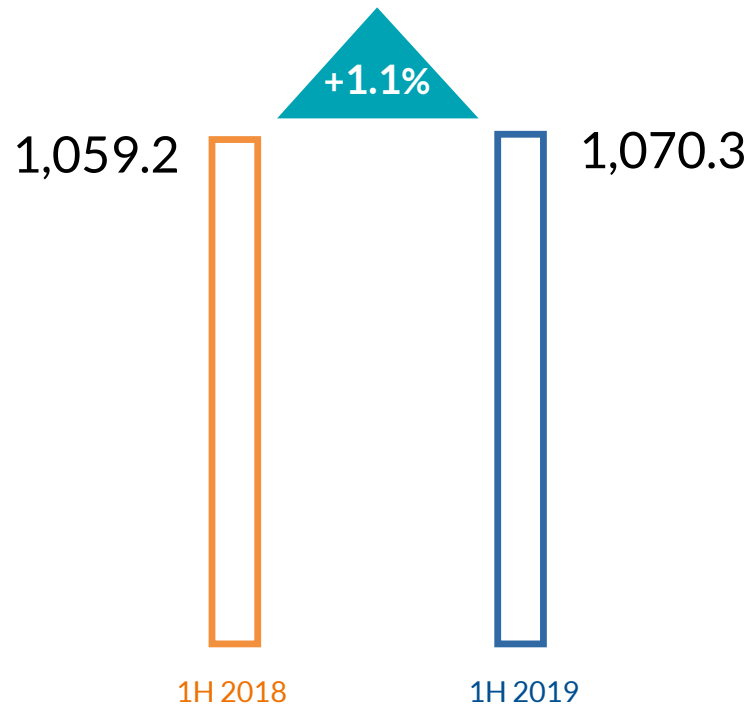
\* EBITDA was calculated based on the Operating Income plus the allocations for amortisation and provisions, stripping out the impact of the application of IFRIC 12 relating to Service Concession Arrangements on the transmission lines operated by the Group in Brazil.

Sales exceeded EUR 1,070 million

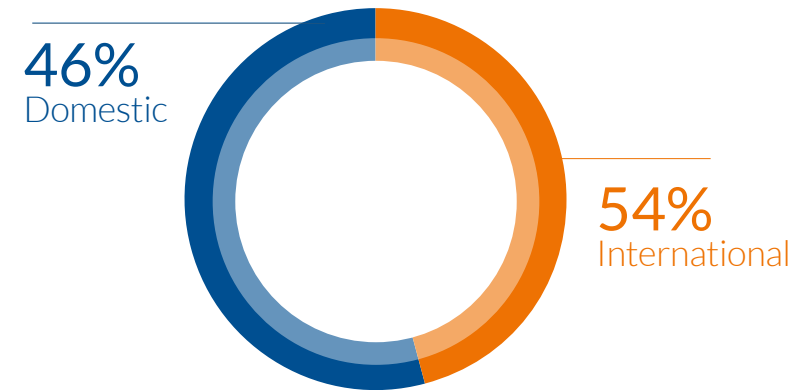


### Sales

Figures in millions of euros



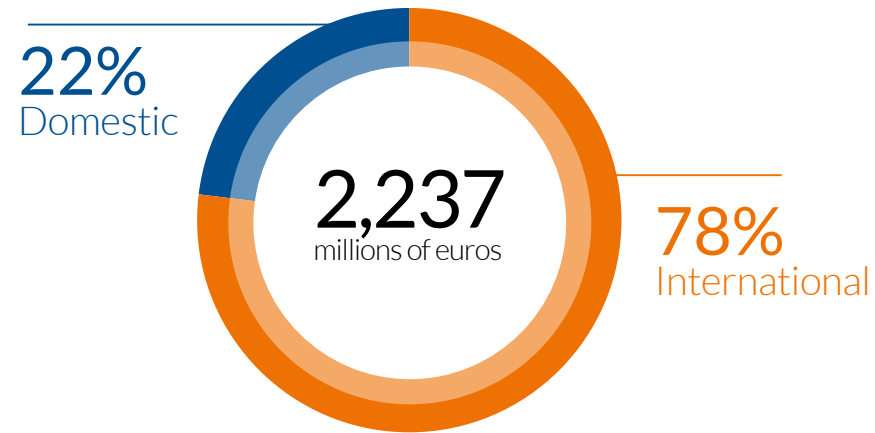
### Sales by market



The backlog amounts to **EUR 2,237 million**



## Backlog



# Main corporate transactions in the first half





## Multicurrency note facility on the Alternative Fixed-Income Market (MARF) up to EUR 300 million

- With this Programme, Elecnor has an alternative funding source to bank funding, with advantageous costs compared to the latter.
- This programme will make it possible for Elecnor to have funding in EUR and USD, with terms of up to 24 months, optimising the financing costs of the working capital.
- The objective is to continue boosting its projects both in Spain and in international markets.

## Novation of Syndicated Financing Contract

- The Novation agreement extends the maturity period by two years up to July 2024.
- Elecnor has decided on a voluntary early amortisation of EUR 100 million of the Loan Tranche.
- Financing goes on to have a limit of EUR 400 million, distributed between a Loan Tranche of 200 million and a Credit Tranche of 200 million.



## Elecnor enters the upstream sector with the acquisition of a 30% stake in Wayra Energy

- Elecnor has reached a strategic agreement with the international engineering and construction company Vinccler, Wayra Energy mother company, that will see it break into the Ecuadorian oil and gas industry.
- The objective of the operation is to jointly carry out projects awarded to Wayra Energy by the Ecuadorian government by means of contracts entered into with the Ecuadorian state-owned company Petroamazonas EP.
- This agreement marks Elecnor's first foray, either domestically or internationally, into the upstream sector.



## Certification of the Compliance System in standard UNE 19601

- During 2018, Elecnor worked on obtaining the Certification of the alignment of the Group's Compliance System with the requirements of standard UNE 19601 "Criminal Compliance Management System", a national standard based on the requirements of standard UNE-ISO 37001.
- UNE 19601 is the main reference in Spain to design and integrate criminal risk prevention systems and is based on the highest international standards in this area.
- At the beginning 2019, Elecnor obtained the certification in this standard.

# Key projects in the first half



## Infrastructure

Framework agreements with major national operators

### Electricity

endesa enel

IBERDROLA

edp

VIESGO

RED ELÉCTRICA DE ESPAÑA

ufd  
Grupo Naturgy

### Telecommunications

Telefonica

orange™

vodafone

MÁSMÓVIL

NOKIA

Carreos  
Telecom

R

lyntia

HUAWEI TELXIUS

### Gas

nedgia  
grupo Gas Natural Fenosa

Madrileña  
RED DE GAS

Redexis gas

nortegas

enagas

## Infrastructure



A new wind farm in the Valencia region for **EUR 53 million**



- It is one of the projects that was awarded under the framework of the Valencian Community Wind Energy Plan, and is the first wind farm to be built in the Autonomous Community of Valencia in the last eight years.
- It will be developed by Elecnor through its wind energy subsidiary Enerfin.
- Elecnor has signed a Power Purchase Agreement with Cepsa at a fixed price for a period of 10 years.



This will provide renewable energy to 45,000 homes



Power capacity **50 MW**

**CO<sub>2</sub>**

The project will avoid the emission of **66,000** tonnes of CO<sub>2</sub>



Power capacity **231 MW**



Six wind farms in Zaragoza for **EUR 47 million**



- The wind farms, developed by Forestalia, will have a total installed capacity of 231 MW.
- Elecnor's scope of activity includes preliminary studies and works, civil works to develop the wind farms, electrical works and the construction of three 132/30-kV substations and two 132-kV transmission lines.



Energy efficiency improvement of lighting in 58 Spanish municipalities for **EUR 127 million**



- Elecnor has won the CLIME call for tender by the Federación de Municipios y Provincias de Castilla-La Mancha to improve lighting in 58 municipalities in the region by switching to LED technology.
- The contract includes the maintenance of 83,398 lights, 1,250 street lighting control centres and 983 buildings.
- Project CLIME represents a saving of 82.36% on street lighting, 61.79% on interior building lighting, and 10.21% on heating and air conditioning.



## Infrastructure



### A hydroelectric power plant in Cameroon

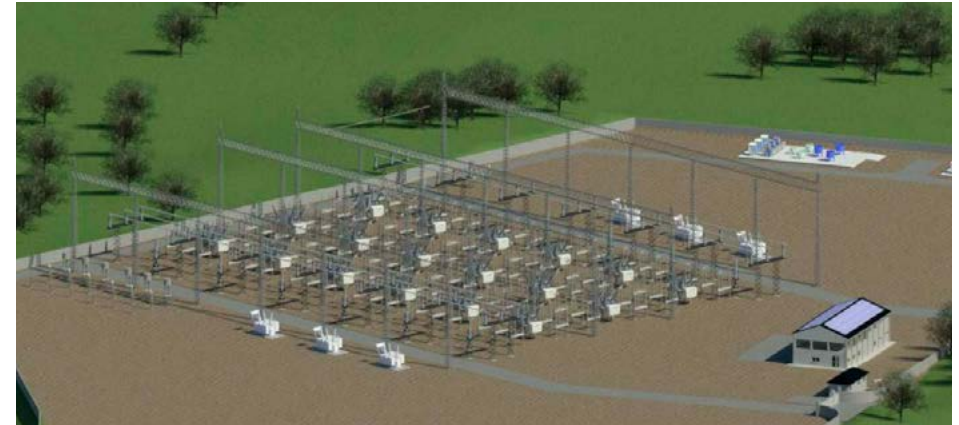


- The project is designed taking into account the electromechanical assembly of seven units of 60 MW generation units, the evacuation substation and the rest of the ancillary systems (BOP).
- The Nachtigal plant is the largest hydroelectric plant in Cameroon.

Power capacity  
**420** MW



Full amount of EUR  
**70** million



### Two substations in Ghana



- The project includes the engineering, supply, construction and start-up of the installations: a new external 330/34.5 kV substation and another internal 33/11 kV substation.
- These substations are in Pokuase.



Full amount of USD  
**33** million

## Infrastructure



### The fourth wind farm in Jordan



- Elecnor will be responsible for the engineering, supply, construction and start-up of the installations of the wind farm of Tafilah.
- The project includes the construction of a 120 MVA substation.



### The second wind farm in Mauritania



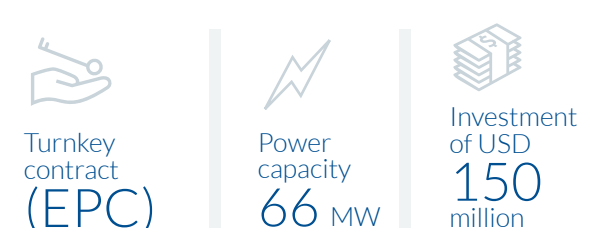
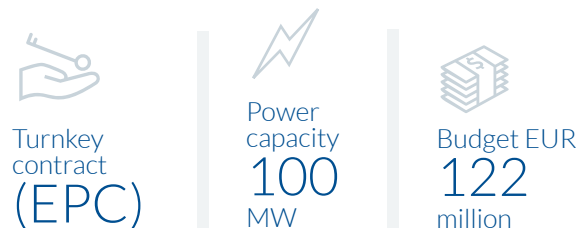
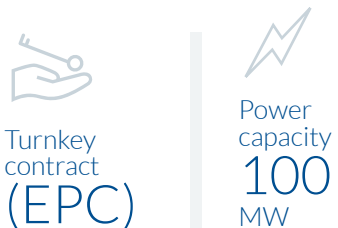
- Elecnor will carry out the engineering, construction and start-up of the wind farm in Boulenouar, which also includes a substation and the medium voltage line.
- Furthermore, a second contract was formed for the operation and maintenance services for 11 years.



### The first wind farm in Panama



- Elecnor will carry out all of the engineering, supply, construction and start-up of the Toabré wind farm.
- The contract also includes 2 substations, one for evacuation and the other for interconnection to the domestic network, and a 230 kV transmission line with an extension of 27 km.
- It is the first wind farm built by Elecnor in Panama.



## Infrastructure



### One of the largest renewable projects of Australia



- Bungala Solar is one of the main photovoltaic projects in Australia.
- Elecnor has developed first and second stage. Now, the company is in charge of the O&M of the first one and start-up of the second one.



Turnkey contract (EPC)



Power capacity  
**275**  
MW



Contract of AUD  
**362**  
million



### New substation in Chile



- The project includes a new substation in Antofagasta and the construction of Mejillones-Antofagasta-Esmeralda-La Portada line.



Project of USD  
**12**  
million



### The expansion of six substations in Mexico



- The six substations have voltages of 115 kV and 161 kV, with a total capacity of 174 MVar.
- The project will create around 300 jobs in the states of Guanajuato and Baja California.
- It was awarded by the Mexican CFE.



Power capacity  
**174**  
MVar

## Concessions



### A new **transmission line** in **Brazil** for EUR 254 million



- The project, awarded to Celeo Redes, includes the construction and operation of a double circuit 240 km long 230 kV transmission line, and three substations that together add up to 900 MVA in power transformation capacity.



Turnkey contract (EPC)  
Construction carried out by Elecnor

**230**  
kV

Execution term  
**60**  
months



### Two new **transmission** projects in **Chile** with an investment of USD 466 million



- Award through the Celeo Redes Chile and Celeo Redes España consortium.
- Construction, operation and maintenance of two new projects corresponding to Chile's Zonal Transmission System.
- The first project involves the construction of two new substations and a 110 km long, double circuit, 220 kV power transmission line. This project will improve the area's Regional power transmission system.
- The second award includes the construction of a 360 km transmission line and the execution of five substations.
- The construction of both projects will be carried out by Elecnor.

## Concessions



### Six PV power plants in Brazil



- Project awarded to Celeo Redes Brasil by the Agencia Nacional de Energía Eléctrica (ANEEL).
- In addition to the sale of the 6 solar PV projects, the project includes an evacuation substation and a 500 kV connection line.
- Contract value of EUR 181 million.



Turnkey contract (EPC)  
Construction carried out by Elecnor



Power capacity  
**179.8**  
MW



These will provide electricity to  
**190,000**  
homes



### Two new wind farms in Brazil



- Enerfin, Elecnor's wind power subsidiary, signed two 20-year energy sale and purchase agreements in Brazil for two new wind farms in the state of Rio Grande do Norte.
- It will entail the construction of Enerfin's first wind power projects in that area of the country.
- Soon a further 23 MW will be added to this area with a project for selling energy on the open market.



Power capacity  
**142** MW



### A new wind farm in Australia



- Enerfin has purchased 50% of the Woolsthorpe 73 MW wind farm, located in the state of Victoria.
- Elecnor's wind power subsidiary is developing the farm together with Ironstone Capital.
- This project was awarded a 15 year PPA in the tender called by Snowy Hydro.
- Construction is expected to start over the course of 2019.



Power capacity  
**73** MW



# This is elecnor

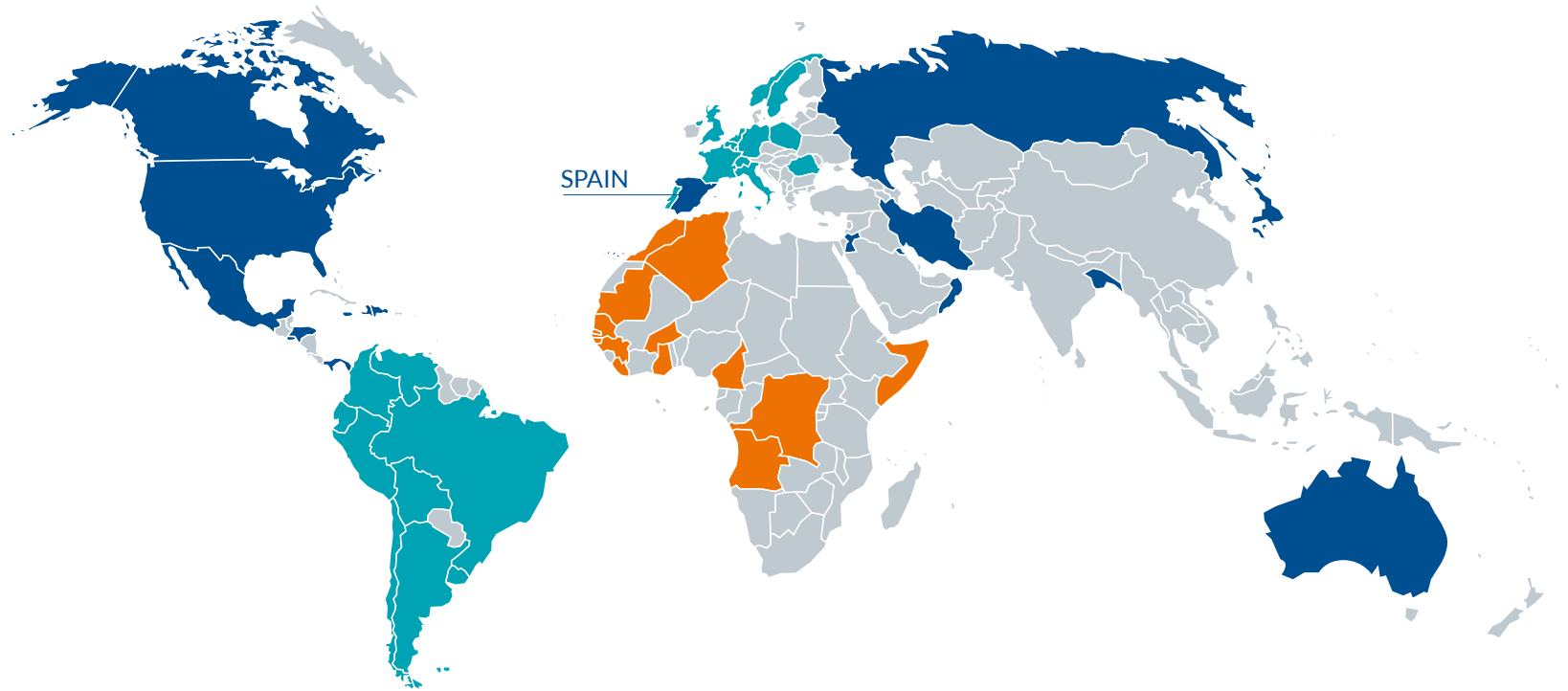
Elecnor is a global company with sales in **55 countries** and two core businesses

**Infrastructure:**

execution of engineering, construction and services projects, with a particular focus on the electricity, power generation, telecommunications and systems, facilities, gas, construction, maintenance, environmental and water, railway and space industries.

**Concessions:**

operation of services through investment in power transmission systems, wind and solar energy, and other strategic assets.



**NORTH AND CENTRAL AMERICA**

Canada/Dominican Republic/ El Salvador/Haiti/Honduras/ Jamaica/Mexico/Panama/ United States

**SOUTH AMERICA**

Argentina/Bolivia/Brazil/Chile/ Colombia/Ecuador/Peru/ Uruguay/Venezuela

**EUROPE**

Andorra/Belgium/ France/Germany/ Italy/Luxembourg/ Netherlands/Norway/ Poland/Portugal/ Romania/Sweden/ Switzerland/United Kingdom

**AFRICA**

Algeria/Angola/Burkina Faso/ Cameroon/DR Congo/Gambia/ Ghana/Guinea/Guinea Bissau/ Liberia/Mauritania/Morocco/ Senegal/Somalia

**ASIA AND OCEANIA**

Australia/Bangladesh/Iran/ Japan/Jordan/Kuwait/ Oman/Russia



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