

## SIGNIFICANT EVENT

### Elecnor's net profit reached EUR 74.3 million, up by 4.3%

EBITDA came to EUR 338.6 million compared with EUR 326.5 million last year, an increase of 3.7%

Net corporate debt dropped by 38%, from EUR 222.7 million in 2017 to EUR 138 million in 2018.

The group has created 707 new jobs in Spain, increasing the number of employees worldwide to 13,889 people.

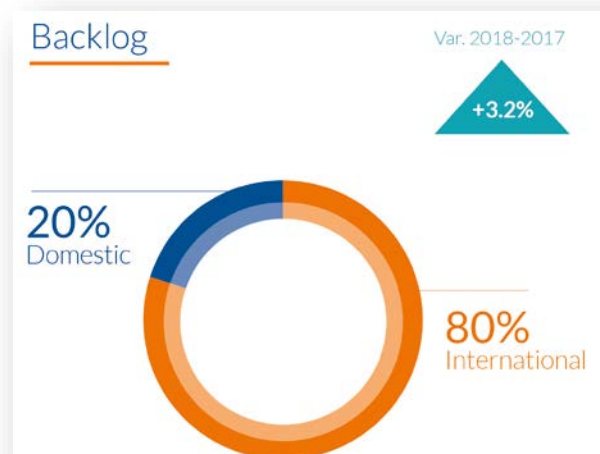
Madrid, 28 February 2019.- In 2018, Elecnor obtained a consolidated net profit of **EUR 74.3 million**, which amounts to a **4.3%** increase compared with EUR **71.2** million in 2017. Gross results from operating activities, **EBITDA**, came to **EUR 338.6 million**, up by **3.7%** compared with the EBITDA for the previous year, which was EUR 326.5 million.

The positive cash generation in the businesses that make up the Elecnor Group has favoured the good performance of the **Group's corporate debt**, which **dropped by 38%**, from EUR 223 million in 2017 to EUR 138 million in 2018.

Elecnor continues its internationalisation process, maintaining its position of leadership in the domestic market, where it continues to be a benchmark company in the sectors in which it operates, increasing its turnover by 5%. **Revenues for the financial year came to EUR 2,273.1 million**, 57% of which came from the international market. The **backlog**, which is at EUR 2,229 million, **grew by 3.2%** compared with the EUR



2,160 million backlog as at 31 December 2017. Of the total amount, 80% originates from international markets.



## Order intake

The group's two business areas, Infrastructures and Concessions, have achieved noteworthy performances during the financial year.

**In the Infrastructure business**, Elecnor continues to maintain its leading position in the domestic market of services for large operators, mainly of electricity and telecommunications. Likewise, the development of renewable energy has intensified Elecnor's activity in the **electricity sector**, where its leadership has been strengthened. In addition, the good performance of the telecommunications sector has boosted Elecnor's activity in the deployment and maintenance of **fixed (FTTH) and mobile (4G) networks** of major telecommunications operators.

In the international market, Elecnor's growth is boosted by a good performance in the **United States**, where the turnover has already reached more than USD 204 million. The company's presence in **Africa** was also consolidated, with the award for the assembly of the hydroelectric power plant in Nachtigal, and the contract for the stabilisation of a high voltage network, both in **Cameroon**. As regards renewable energy, the group's growth in 2018 is mostly due to the start-up of the fourth wind farm in **Jordan**, the third in **Chile**, the second in **Mauritania** and the first in **Panama**. These operations consolidate the growth strategy in these regions.



In **Australia**, the order intake of the Bungala Three solar PV farm, expected to be put into effect during financial year 2019, will add 100 MW to the existing 274 MW of its predecessors (Bungala One and Bungala Two), and will form the largest PV project developed to date in this country, as well as the largest built by Elecnor with this technology since its foundation sixty years ago.

**The Concessions business** has been marked by the success of the business of the subsidiary **Celeo Redes in Brazil and Chile**, and by the new projects of **Enerfín**. Celeo Redes Brasil has been awarded contracts for the sale of energy in six PV projects with a power capacity of 179.8 MW located in the State of Piauí, and the construction and operation of a 240 kilometre long double circuit 230kV transmission line and three substations with a combined apparent power of 900 MVA, located in the States of Pará and Amazonas. Celeo Redes Chile, on its part, has been awarded contracts for the construction, operation and maintenance of two new projects, for the construction of 470 km of transmission lines, the first to the west of Santiago de Chile, between Melipilla and Valparaíso, and the second to the south of Santiago, in the VII and VIII Regions.

In turn, **Enerfín**, Elecnor Group's wind power subsidiary, has signed the 20-year energy purchase-sale contracts in Brazil for two new wind farms with a total capacity of 142 MW in the state of Rio Grande do Norte.

## **Financial and corporate operations**

Spain:

- Elecnor has signed a **novation of the Syndicated Financing Agreement** that it formalised in 2014, and which was previously novated in 2015, 2016 and 2017, when the term was extended and the original conditions were improved.
- Elecnor published a **Multicurrency note facility in the Alternative Fixed-Income Market (MARF)** of up to EUR 300 million, which will make it possible to have financing in EUR and USD, with terms of up to 24 **months, optimising the financing costs of the working capital.**
- Elecnor, S.A. and the SUSI Energy Efficiency (SEEF) Fund have closed an agreement for the **financing of a portfolio of energy efficiency projects** for the value of EUR 14 million.



- The Group, through its subsidiaries Galicia Vento, S.L. and Aerogeneradores del Sur, S.L. has formalised a **"Project Financing" loan** for the amount of EUR 55 million, maturing in financial year 2024, which adds value to these Spanish Wind Farms, given that they had already returned their original financing loans.

International:

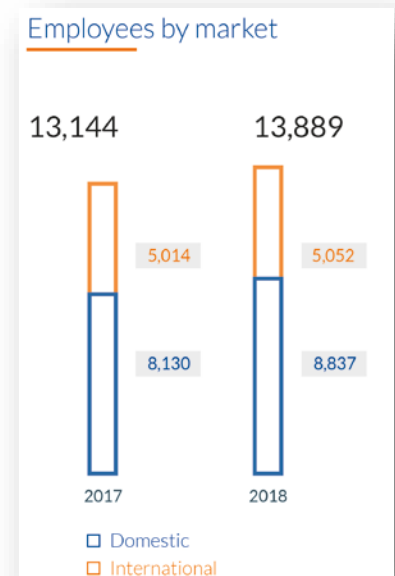
- On 20 December the **financing for the São Fernando I project** (wind farm in which Enerfin has a 100% stake) was signed with the Banco de Nordeste de Brasil (BNB), with a 20 year term and a limit of BRL 266,874,000.
- Elecnor, through its Brazilian investee company Celeo Redes Transmissão de Energia S.A., has agreed on a **bond issue for the amount of BRL 565 million** which accrues interests equivalent to the returns of the Interbank Deposit Certificates ('CDI') plus a differential of 0.75% per year.
- As regards the **PV projects of São João do Piauí**, on 26 December, financial closure was reached with Banco do Nordeste de Brasil (BNB). The amount of this **financing amounts to BRL 404.9 million**.
- Highlights regarding major **corporate milestones** include Celeo Redes Brasil closing in December the purchase of Isolux Group's stakes in two Transmission Line concession companies in Brazil. The operation consisted in the sale by Isolux Energía e Participações, S.A. of the 33.3% and 100% stakes it held in the concession companies Jaurú Transmissora de Energía, S.A. (JTE) and Cachoeira Paulista Transmissora de Energía, S.A. (CPTe), respectively.

## People

At close of financial year 2018, the number of employees in the Group had grown by 745 (5.7%), to a total of **13,889**. In the domestic market, there was an **8.7 %** increase, mainly in the infrastructure and telecommunications businesses.

Elecnor's commitment is reflected in its Equality Plan, which focuses on different aspects: training, remuneration, communication, hiring, work-life balance and improvement of social protection strategies.

Furthermore, the Group has a Compliance Policy and internal control mechanisms in place to guarantee non-discrimination.



Elecnor recently obtained its Compliance System Certification in the UNE 19601 "Criminal compliance management systems" standard, the benchmark of reference in Spain for designing and articulating criminal risk prevention systems, which is based on the highest international standards existing in this field. In addition to this recognition, at the start of 2018, the company obtained the certification by Aenor Anti-Bribery Management Systems in accordance with the UNE-ISO 37001 standard, the leading and most stringent certifiable international standard for articulating management systems in this field.

## Environmental Impact

The commitment to protecting and respecting environment, and the efficiency in the consumption of energy resources, are common features in all of Elecnor's activities, and form an essential part of the organization's culture and values.

The environmental control mechanisms currently in place in the company are based on Environmental Management and Energy Management Systems certified according to the ISO 14001:2004 and ISO 50001 standards.

Elecnor has a carbon footprint calculator tool, which allows each organization to report the data necessary to obtain greenhouse gas emissions associated to their activity. Total emissions have dropped by 2% compared with last year.



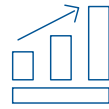
#### About Elecnor

Elecnor carries out infrastructure, renewable energy and new technology projects. It has 13,889 employees and generates sales in 55 countries. More information at [www.elecnor.com](http://www.elecnor.com)



2018 Results

## Main milestones in 2018



Consolidated Net Profit

EUR **74.3** million

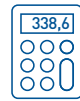
(+4.3%)



Corporate Net Debt

EUR **138** million

(-38%)



EBITDA

**338.6** millones de euros

(+3.7%)



Consolidated Sales

**2,273** million

## Internationalisation



Sales in international market

**57%**



Order book in international market

**80%**





# Summary

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Key figures

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EBITDA

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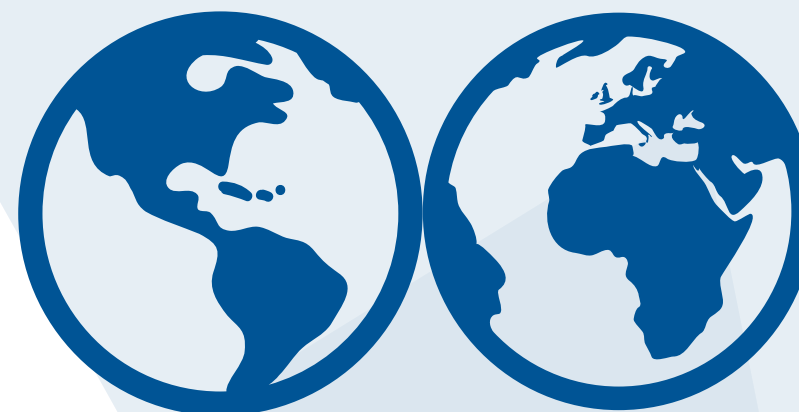
Other key projects completed or in progress

**27**

This is Elec



# Key figures



# Net profit up 4.3% to EUR 74.3 million



## Infrastructure

- Profit increased by 4.5%, to more than EUR 65 million
- Revenues reached EUR 2,096 million

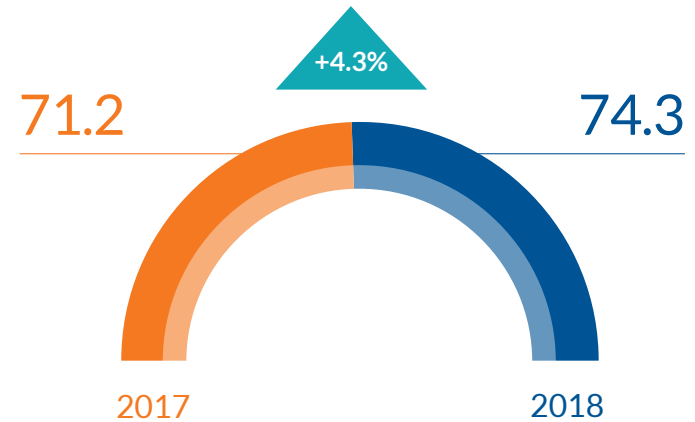


## Concessions

- Profit increased by 5.7% to EUR 25.4 million
- Revenues exceeded EUR 222 million

## Net profit

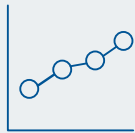
In EUR million



Cost control and containment policy

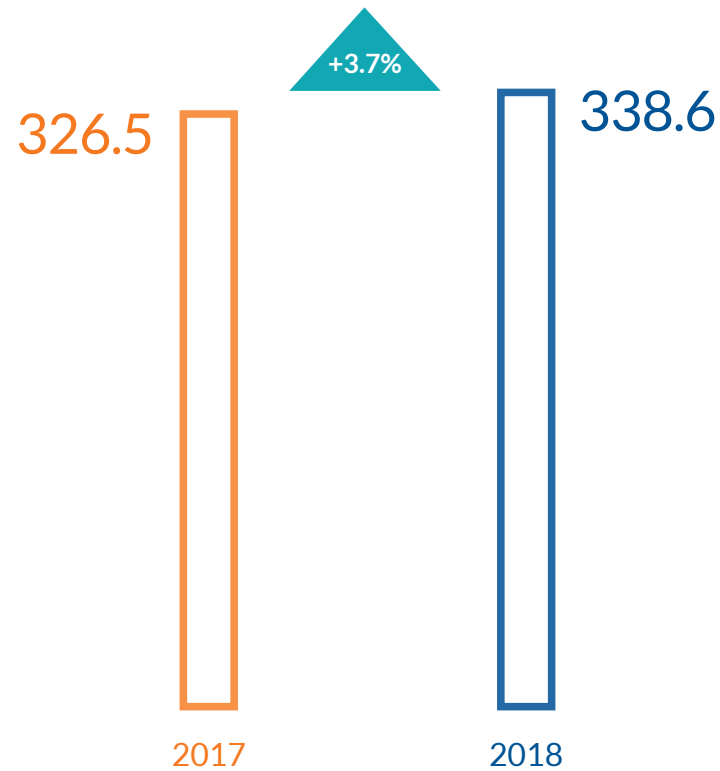
Digitisation Project to improve business process efficiency

EBITDA was up by **3.7%** to **EUR 338.6 million**



## EBITDA

In EUR million

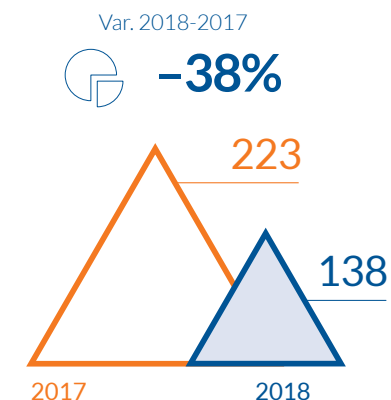


EBITDA was calculated based on the Operating Income plus the allocations for amortisation and provisions, stripping out the impact of the application of IFRIC 12 relating to Service Concession Arrangements on the transmission lines operated by the Group in Brazil.

# Corporate net debt dropped by 38%



	2017	2018
<b>Corporate Net Debt</b>	<b>223</b>	<b>138</b>
EBITDA	327	338
EBITDA with recourse	148	122
EBITDA without recourse	179	216
Debt/EBITDA ratio with recourse + project div.	1.31	0.95
<b>Consolidated net financial debt</b>	<b>1,268</b>	<b>1,280</b>
With recourse	223	138
Without recourse	1,045	1,142
EBITDA	327	338
Consolidated net financial debt/EBITDA Ratio	3.88	3.78



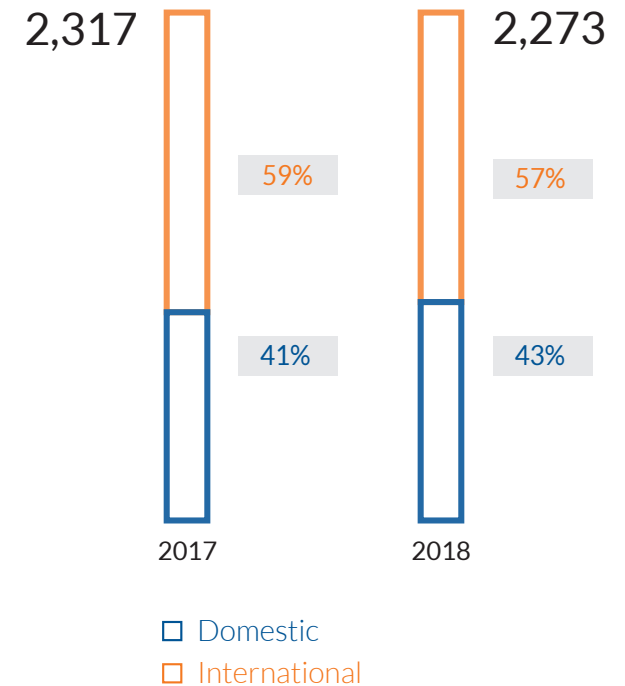
# Sales exceeded EUR 2,273 million



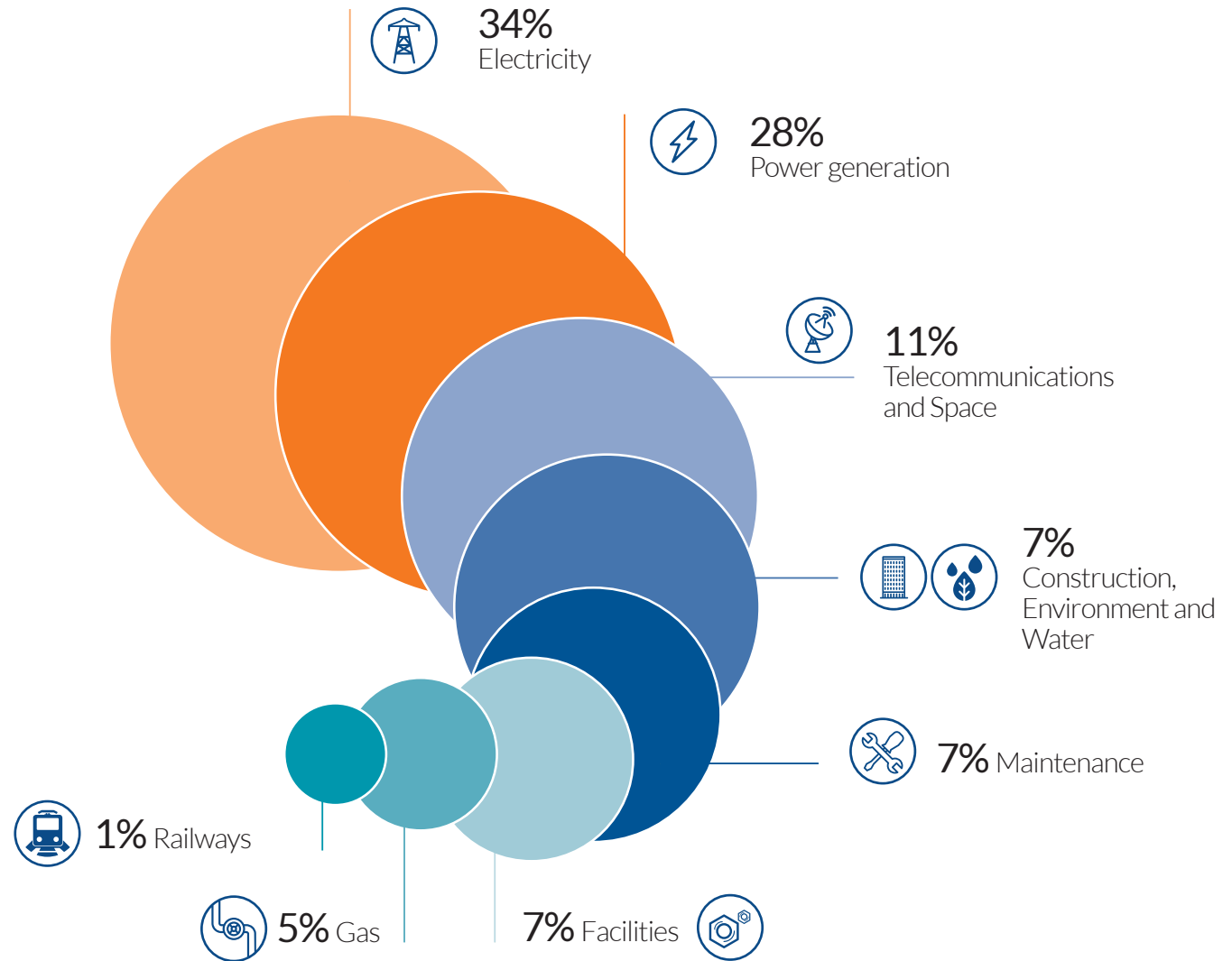
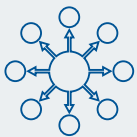
- Favourable performance in the **domestic infrastructure market** in the activities of electricity, power generation and telecommunications.
- The result of the transmission construction projects in **Brazil**.
- The turnkey construction of two solar PV farms in **Australia**.
- The completion of the construction of a solar PV plant in **Chile**.
- Elecnor's good year in the **United States**.
- The progress made in renewable energies, with the fourth wind farm that the company has started up in **Jordan**, the third in **Chile**, the second in **Mauritania** and the first in **Panama**.
- In the **Concessions** business, the improvement of results is helped by the entry into operation of new transmission lines in Brazil and Chile, and the improved management of wind production sales in the international market.

## Sales

In EUR million



The diversification of activities as a strategic focus to offer a **global service**



The backlog amounts to **EUR 2,229 million**

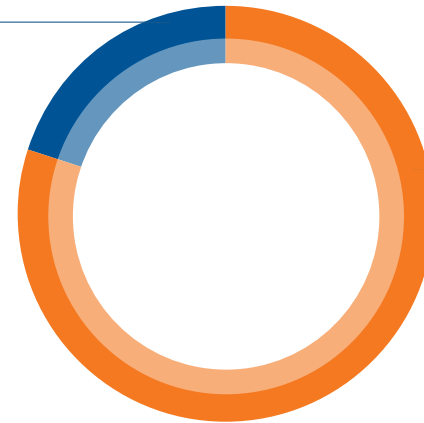


## Backlog

Var. 2018-2017



20%  
Domestic



80%  
International



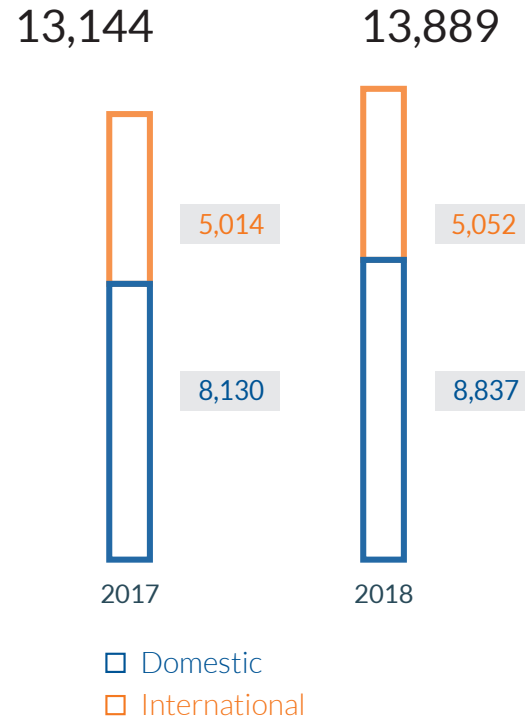
# A professional team of more than **13,000** people

People are the key asset of Elecnor, which bases its strategy on values such as talent, transparency, and teamwork in the safest possible conditions.

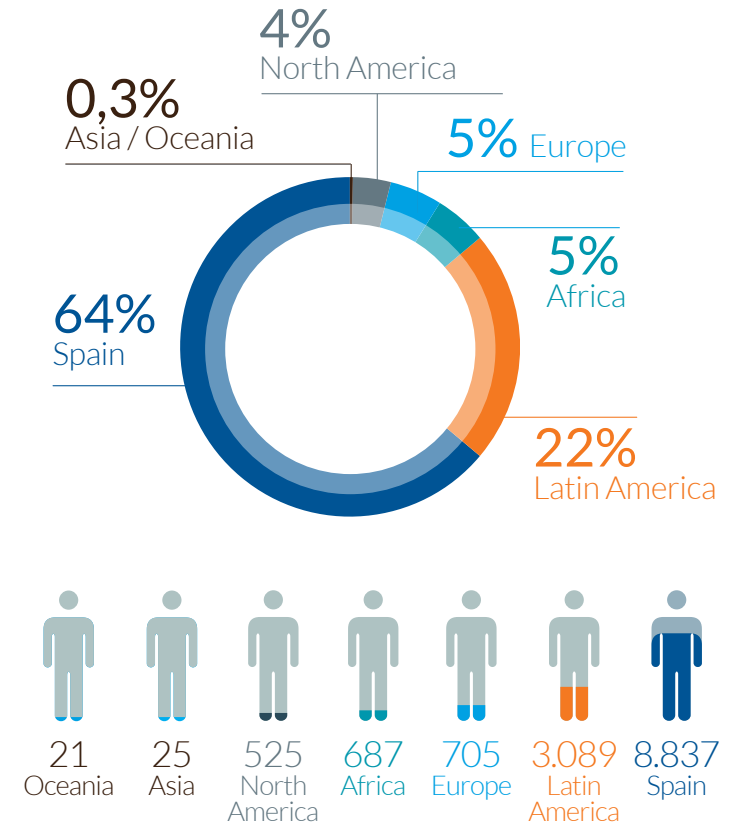
There was an **8.7% growth** in the creation of jobs in the domestic market, mainly in the infrastructure and telecommunications activities.



## Employees by market



## Employees by geographical area





# Share price trend





## Share price trend

- Elecnor’s shares ended the year at **EUR 13.20 per share**, down 0.68% drop compared with 2017 and outperforming the Ibex-35, which saw a 14.97% drop.
- The cash trading volume totalled **EUR 53.9 million**.
- Market cap came to **EUR 1,148.4 million**.
- The dividend yield stood at **2.6%**.



	2017	2018
<b>Closing share price (EUR)</b>	<b>13.29</b>	<b>13.20</b>
Trading volume (million shares)	9.5	4.3
Cash trading volume (EUR million)	109	53.9
Number of shares (millions)	87	87
Market cap (EUR million)	1,156.2	1,148.4
PER	16.2	15.5
Dividend yield	3.1%	2.6%



# Main corporate operations





## 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, consistent with its strategy of progressive financial deleveraging, which has been possible thanks to meeting its cash generation target.

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.



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

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 exchange value in Euros of the outstanding issuances may not exceed the limit of 300 million.

With this Programme, Elecnor has an alternative funding source to bank funding, with advantageous costs compared to the latter.

The objective is to continue boosting its projects in the areas of engineering, development and construction of infrastructures, renewable energy, and new technologies, both in Spain and in international markets.



## Issuance of project **bonds in Brazil** for the amount of 565 million Brazilian Reais

Elecnor has agreed on a project bond issuance through its Brazilian investee company Celeo Redes Transmissão de Energia S.A.

This issuance is aimed at its transmission lines in Brazil.

The bond issuance accrues interest rates equivalent to the return on the Interbank Deposit Certificates plus a differential of 0.75% per year.



## Acquisition of two transmission lines concessions of the Isolux Group in Brazil

For this purchase, Celeo Redes Brasil has paid out EUR 46.65 million.

The operation consists in the sale by Isolux Energía e Participações S.A. of the 33.3% and 100% stakes that it had in the concession companies Jaurú Transmissora de Energía S.A. and Cachoeira Paulista Transmissora de Energía S.A., respectively.

This purchase strengthens Elecnor Group's positioning in Brazil, where it operates more than 4,130 km of transmission lines and 5,275 MVA of power transformation capacity located in 9 States in Brazil, together with a portfolio of projects of 606 km of lines and 5,100 MVA of power transformation capacity to be built over the next 5 years.



## Funding of a portfolio of energy efficiency projects

Agreement signed between Elecnor and the SUSI Energy Efficiency Fund for the value of EUR 14 million.

This funding system covers public lighting projects in Castilla-La Mancha, Castilla y León, Madrid, Galicia and Asturias.



## Loan in "Project Financing" mode for EUR 55 million

The Elecnor Group, through its subsidiaries Galicia Vento, S.L. and Aerogeneradores del Sur, S.L., formalised a loan in "Project Financing" mode for EUR 55 million.

The loan will mature in financial year 2024, a fact that gives value to the Spanish wind farms of these subsidiaries, given that they had already repaid their original funding.



## Signing of the **funding** of the São Fernando I wind farm in Brazil

In December, the funding of the São Fernando I project, a wind farm 100% owned by Enerfin, was signed with Banco do Nordeste do Brasil (BNB).

It will have a term of 20 years and a limit of R\$ 266,874,000, which is estimated to begin becoming available in June 2019.



## Closure of the **funding** for six photovoltaic projects in Brazil

As regards the photovoltaic projects of São João do Piauí, funding has been closed with Banco do Nordeste de Brasil (BNB).

The amount of this funding, which amounts to 404.9 million Brazilian Reals, will begin to become available by mid-2019 and will be fully amortised in December 2038.



## Award of AENOR's **UNE-ISO 37001** Standard Certification

Elecnor thus becomes the first company in its industry in Spain to obtain the certification in this standard, and one of the first companies to do so both at domestic and international level.

The UNE-ISO 37001 standards represents the world's most modern and demanding expression of anti-bribery systems and the application of Compliance protocols in general.

Obtaining this certification is a further step for Elecnor in its commitment to continue strengthening and consolidating its ethical commitment in all scopes of its activity.



## 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.



## Elecnor, **Signatory Partner** of the United Nations Global Compact

Elecnor strengthens the alignment of its corporate strategy with the Sustainable Development Goals (SDG).

Elecnor's infrastructure, energy, water or environment projects link up with some global challenges posed by the SDG, such as climate change and the reduction in the energy gap.

This milestone recognises the Group's commitment to the permanent improvement of its management practices and procedures, positioning the organisation as a benchmark in its field.





# Key projects won in the year



## 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 España and Celeo Redes 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.

The construction of both projects will be carried out by Elecnor.

## Concessions



Six **PV power plants in Brazil** for the value of 181 million



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.



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**



Enerfín, 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 Enerfín'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

## Infrastructure



### Wind farm in Chile, 10 MW



Elecnor has been won the construction of a wind farm in the Region of Magallanes and the Chilean Antarctic.

The project includes the installation of three 69 m high 3.45 MW wind turbines, which together will add a little over 10 MW to the Regional Electrical System.



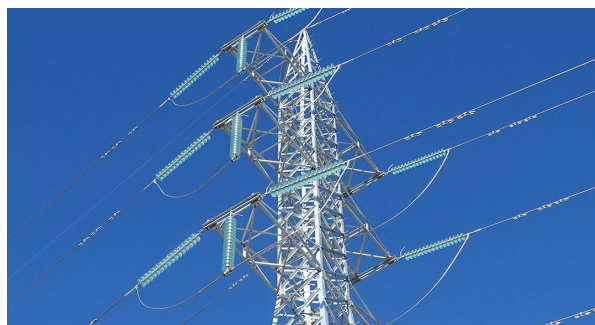
Turnkey contract (EPC)



Power capacity 10 MW



Investment close to USD 22 million



### A new contract in Cameroon



Project for strengthening and stabilising the high voltage network in the city of Yaoundé for the Ministry of Water and Energy of Cameroon (MINEE).

It consists in the construction of two substations, the extension of four existing substations and the construction of 2 high voltage lines in the capital Yaoundé.

The contract has a duration of 24 months, and will employ more than 200 people.



Turnkey contract (EPC)



Full amount of EUR 45 million



### 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.



Turnkey contract (EPC)



Power capacity 100 MW



Budget EUR 122 million

## Infrastructure

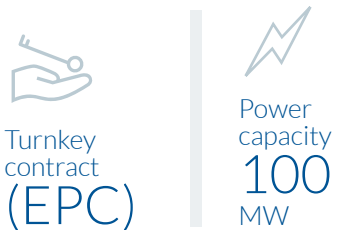


The fourth **wind farm in Jordan**



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.



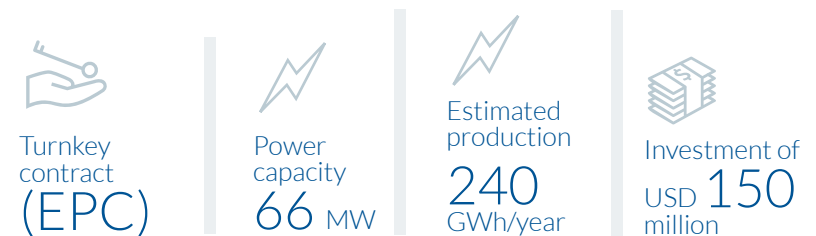
The first **wind farm in Panama**



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



### 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**  
de million



### Restoration of electrical installations in Puerto Rico and Florida



Elecnor Hawkeye, Elecnor's US subsidiary, formed part of the utilities that restored the electricity infrastructure of these areas following the effects of severe hurricanes.

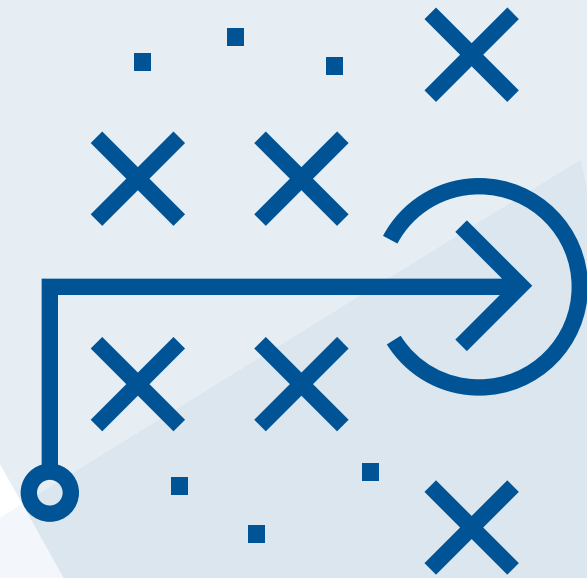
The company deployed numerous resources to recover the electrical infrastructures in a short space of time.



Turnover in the US in 2018:  
EUR **204** million



# Other key projects completed or in progress



## Other key projects completed or in progress



### Domestic

Framework contracts with large electricity operators	Across the national territory
Deployment and maintenance of fixed (FTTH) and mobile (4G) networks	Across the national territory
Maintenance and facilities at airports	Across the national territory
Electrification of different sections of the AVE	Across the national territory
Replacement of street lighting in Santander	Cantabria
Renovation of Barcelona's main municipal market	Catalonia
Teguise I wind farm	Canary Islands
Upgrade of the Malpica wind farm	Galicia

### International

Laúca hydroelectric power plant	Angola
BOP and water treatment plant at the Bellara steelworks	Algeria
Bungala Solar: the country's largest solar PV farm	Australia
Two solar PV plants	Bolivia
Xingú-Tapajós transmission project	Brazil
Commercial operation of the Cantareira electricity concession	Brazil
Solar PV plant of Til Til	Chile
Nueva Diego de Almagro transmission system	Chile
Commercial operation of the Chate electricity concession	Chile
Al Rajef wind farm	Jordan
Empalme II combined cycle plant	Mexico
Two biomass plants	Portugal
Substation associated to the Inga I and Inga II hydroelectric power plants	D. R. Congo
Larimar II Wind Farm	Dominican Republic





This is  **elecnor**

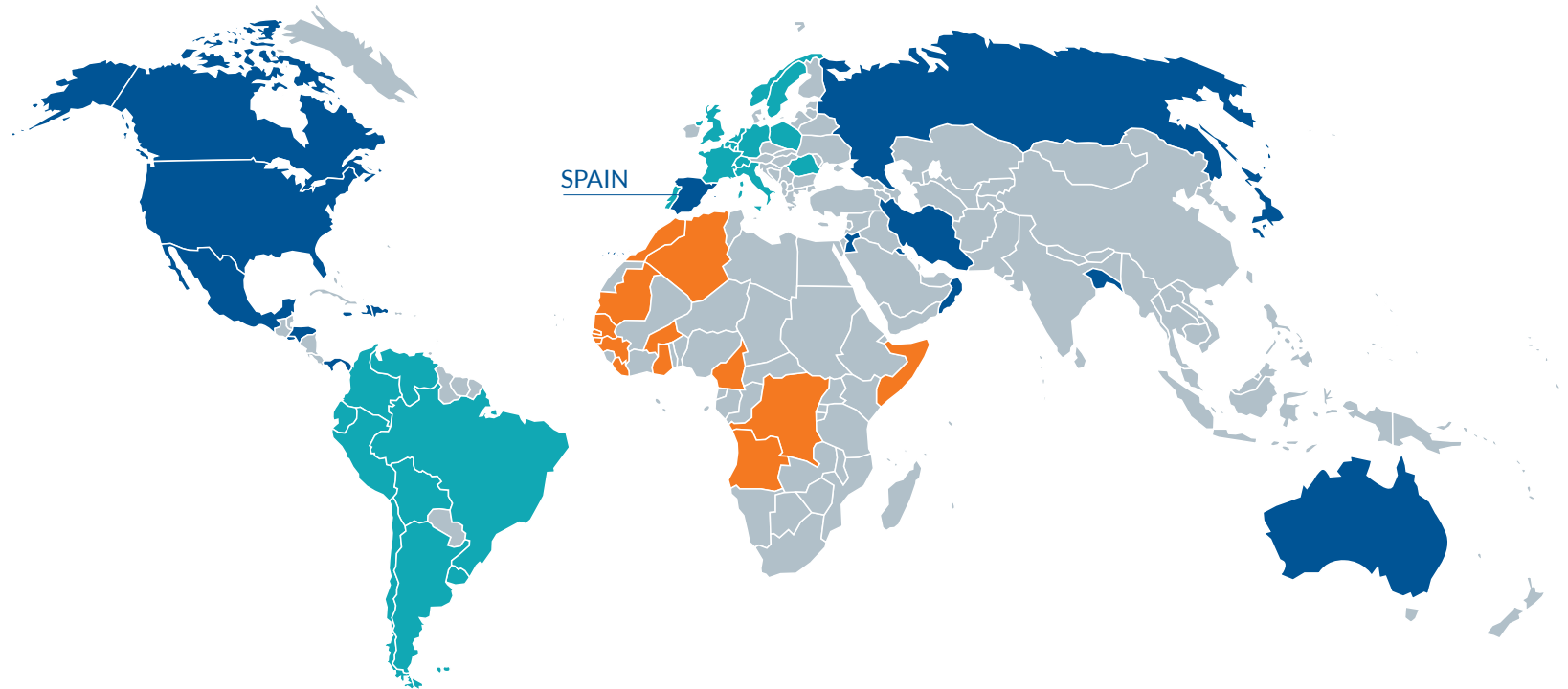
Elecnor is a global company with sales in **55 countries** and two core businesses

**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 thermal energy, and other strategic assets.



**North and Central America**

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

**South America**

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

**Europe**

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

**Africa**

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

**Asia and Oceania**

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



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