



***Annual General Meeting***

*10 May 2024*

***Speech of the Chairman***

*Mr. Florentino Pérez*

## 1. Introduction

Good morning, Ladies and Gentlemen, and welcome to the 2024 Annual General Meeting of the ACS Group.

One year ago, at the last Annual General Meeting, I said goodbye, convinced of the good outlook that we had for value creation at the Group. The results obtained and the performance of the ACS share price have confirmed our expectations:

- Our excellent operational performance is evidenced by the 16.7% growth of net profit to EUR 780 million and by that of our total order book to an all-time high of EUR 73.5 billion.
- Our share showed outstanding performance in 2023, rising by 50% during the year to EUR 40.16. In the last three years, since the end of 2020, ACS shareholders have seen a return of over 85%, equivalent to for an average annual of 22.7%.

Today, however, I want to speak above all about ACS's future. I want to convey how we are developing our growth and value creation strategy in a scenario brimming with opportunities for our Group. I will turn to this later.

I would like to begin by pointing out some of the milestones that have marked the paths of our companies in 2023.

- Turner, the ACS Group's largest company by turnover and one of the most important in its sector in the United States, was recognised by the prestigious infrastructure magazine Engineering News Record, or ENR, as the largest construction company in the United States over the last 50 years, as well as the greenest for the sixteenth consecutive year. Projects such as the Merdeka Tower in Malaysia, the second tallest skyscraper in the world, and the construction of one of the world's largest data centres for Meta, in the state of Indiana, are examples of this leadership.
- In the Eastern Hemisphere we have CIMIC, the Asia Pacific's largest engineering and infrastructure group. CIMIC has been recognised by Australia's Infrastructure Sustainability Council for its excellent sustainability practices. Over the past year, it has strengthened its position in energy transition-related activities by acquiring three engineering companies – Novopro in Canada and Minsol and Prudentia in Australia – thus consolidating its leadership position and opening up new geographic opportunities.
- Hochtief, our longest-standing company, celebrated its 150th anniversary last year. The celebration took place at its headquarters in Essen, Germany, where Hochtief was accompanied by the other companies in the ACS Group. It was a memorable occasion where the present, but, above all, the future was

discussed. Hochtief continues to serve as a benchmark in sustainability. In 2023 it achieved MSCI's top rating, and the recognition of the Dow Jones Sustainability Index as one of the most sustainable companies in the sector. Some of Hochtief's strategic projects, such as the construction of 850 fast charging points for electric vehicles in Germany and a new data centre in Warsaw as part of a digitalisation megaproject in Poland, are part of the same efforts.

- For its part, Dragados was tasked with carrying out a first-ever project in the world: building a road over the lava on the island of La Palma. We did so in record time, to restore connection on the island after the volcanic eruption; and we did so sustainably, reusing the volcanic stone material. Never had a conventional road been built over newly emitted lava. This was an authentic challenge, which was recognised throughout the world.
- At Abertis, we have consolidated our alliance with Mundys by renewing our strategic collaboration agreement, initiating a new chapter in our excellent relationship. Abertis has moved forward with its continuous-growth strategy, as evidenced in its investment in a network of four motorways in Puerto Rico, and the acquisition of the Autovía del Camino in Navarre.
- Lastly, I would like to highlight the new data centre we are building in Spain, promoted by Iridium as the builder and operator. Located in the Madrid region's "Henares Corridor", the data centre represents an important step in the ACS Group's digital infrastructure strategy.

## **2. 2023 Results**

Our CEO, Juan Santamaría, will explain the 2023 results in greater detail, along with the strategic lines for the future that I have referred to, but first allow me to briefly summarise the most significant figures for last year.

In 2023, sales grew by 6.3% year-on-year, reaching EUR 35.738 billion, i.e. EUR 100 million per day. These sales resulted in gross operating profit, or EBITDA, of EUR 1.909 billion, 9.2% higher than in 2022. The ACS Group has positive performance in every country in which it operates.

Our main markets continue to be countries with growth potential, stable geopolitical frameworks and socio-economic structures that allow us to act decisively and with legal certainty.

Of total sales in 2023, 61% are from North America (56% from the U.S. and 5% from Canada), 21% from Australia, 9% from Spain, and 2% from Germany. The ACS Group has a leadership position in most of these countries, which account for over 96% of total turnover and are stable yet dynamic markets and offer attractive growth opportunities. This global presence is one of our greatest strengths and allows us

to undertake new initiatives and projects in the most dynamic sectors of the present-day global economy.

In the United States, the Group is a benchmark with flagship companies such as Turner, Flatiron and Dragados USA. The United States is currently witnessing unprecedented infrastructure investment; public support and incentives programmes are under way in such areas as digitalisation, decarbonisation and the modernisation of much of the country's infrastructure. Our companies, benchmarks and leaders in these sectors, are well positioned and are increasingly focused on seizing these opportunities.

Similar opportunities have also arisen in the other geographies in which we have a foothold. There is a widespread need for new-generation infrastructure.

In the Australian market there is strong demand for energy transition projects, as part of global trend that continues to drive major investment plans by governments, institutions and large companies. In Australia, CIMIC is very active in renewable energy projects, battery energy storage systems, high-voltage electricity transmission networks, and projects related to natural resources essential for the development of these plans, such as hydrogen, lithium or nickel.

Our focus on these technologies includes acquisitions in recent years, such as our recent purchase of an additional 10% stake in the mining services company Thiess, giving us control of 60% of the world's largest company in its sector and a leader in adapting to the new decarbonisation challenges faced by the industry.

The future lies in investments in energy transition, sustainable mobility, digitalisation and health-, education- and biotechnology-related infrastructure. Today's society demands modernisation and improved basic services, and I would like to emphasise that we are facing this challenge from a privileged position.

The Group is firmly committed to developing this type of infrastructure with high growth, but without overlooking investment in and maintenance of traditional infrastructure. All told, awards in 2023 grew by 20%, adjusted for exchange rates differences, to more than EUR 45.100 billion.

Our project portfolio stands at an all-time high of EUR 73.538 billion, having grown by 9.9% in the last twelve months in like-for-like terms.

I would also like to stress that we allocated EUR 1.057 billion to net investments – both operating and financial – most notably, the EUR 462 million increase in our stake in Hochtief. All of this was done while maintaining a solid financial structure, as we closed the year with a net cash position of EUR 400 million.

### 3. Corporate Strategy

Now I would like to refer to our future. On 17 April we held our first Capital Markets Day in Madrid. At this meeting we presented our Strategic Plan 2024-2026, which is based on three essential pillars:

- The first is growth in the most dynamic sectors of our industry, so as to diversify into such areas as digitalisation, energy transition, sustainable mobility and health. I am referring, among other projects, to data centres, battery factories, semiconductor plants, renewable energies, transmission lines, hydrogen, critical minerals such as lithium, hospitals and pharmaceutical plants.
- The second pillar is lowering the risk of our construction activities through new collaborative-contract models and without exposing ourselves to unpredictable factors inherent in our business. This commitment to risk management should provide us with certainty and ensure the predictability of future cash flows.
- The third pillar is our investment policy, aimed at strengthening our position in the concessions area and expanding our activities in the infrastructure sector.

Although our CEO, Juan Santamaria, will examine the plan and the outlook for the future in greater depth, I will highlight some of our main objectives.

Over the next three years, by 2026, we aim to reach:

- EUR 43 billion - EUR 48 billion, equivalent to average annual growth of 6%-10%;
- Recurring net profit of EUR 1 billion; and
- Accumulated operating cash generation in these three years of more than EUR 3.3 billion, i.e. more than EUR 1.1 billion per year on average, in order to maintain attractive shareholder remuneration.

In addition, we will continue to promote investments in new-generation infrastructure, as well as investments to strengthen our position in the transport infrastructure concessions sector, both through Abertis and in the development of new projects with Iridium. All while maintaining our sound financial structure, with a very low level of indebtedness, as is currently the case.

Throughout our history, we have demonstrated that we are a Group in constant evolution, capable of transforming itself, of adapting to changes in the global economic environment, of creating value for society and shareholders.

Operational simplification is another of our priorities. This Strategic Plan deepens the ACS Group's integration and simplification, adopting a new, more pragmatic and simpler organisational structure.

Since 2024, all of the company's activities have been organised into three business lines:

- First, Integral Solutions, which comprises the Turner and CIMIC companies, currently accounts for 65% of pre-tax profit. These century-old companies, each in its own geographic areas of influence, are spearheading the development and construction of new-generation projects that are expected to see high demand in coming years.
- Second, the Infrastructure Investments area, which contributes 20% of pre-tax profit. This area includes Abertis and the infrastructure development companies Iridium, Hochtief PPP and Pacific Partnerships.
- Last but not least, the Engineering and Construction business is the third line, representing 15% of pre-tax profit and centred on execution of civil infrastructure. Integrated into this world-leading line are Dragados, Flatiron and Hochtief Europe.

The companies we include in each of these three lines, which share customers, a supply chain, engineering and capabilities, work as a single team. This is precisely why integration – inter-group collaboration – is the best option for consolidating our leadership in high-tech-driven infrastructure, energy transition, sustainable mobility and critical minerals.

Over the past year, we have once again received international recognition for our excellence not only in civil construction and building, but also in many of the high-value-added categories I mentioned earlier. I am referring to high-profile, highly renowned international rankings such as that of the U.S. magazine ENR. ENR has highlighted our leadership in data centre projects, biopharmaceutical and healthcare facilities, schools, green buildings, sports facilities, highways, airports, railways, bridges, mining, telecommunications along with concession project development and operation.

#### **4. Sustainability**

Although thus far I have stressed that the future and sustainability are two highly important aspects for us, we do not overlook the present. At the ACS Group we understand that success is measured in terms not only of economic profitability, but also our capacity to have a positive impact on the world around us. Having such an impact increasingly requires sustainability and respect for the environment.

Our sector, like the economy as a whole, needs continuous adaptation to meet new challenges. Our evolution towards markets such as sustainable mobility and energy transition is a clear example of our commitment to building a better future. We have the opportunity to make a great contribution to society and we will do so.

In terms of environmental impact, social action and corporate governance, our priorities and objectives are set out in our Sustainability Master Plan 2025, which is available on our updated website. Among these objectives, I would like to highlight

that of achieving climate neutrality in our operations by 2045, five years ahead of the European Union's deadline. To this end, we continue to make progress by reducing greenhouse gas emissions in all our activities. In particular, since 2019, the Group's direct emissions have decreased by more than 30%.

## **5. Conclusions**

Before concluding, I would like, once again, to acknowledge and highlight all those without whom the ACS Group's success would not be possible. With 135,419 employees worldwide, we are a diverse community full of talent that wants to contribute to a better future, and that continues to be our greatest asset.

Behind every statistic are stories of dedication, talent and determination. Each of our employees shapes our culture and makes a unique contribution to our company's success. It is they who make our progress possible thanks to their enthusiasm, commitment and dedication.

In short, I believe that our future is full of opportunities. In the coming years, we will continue to lead the construction of a better and more sustainable future, driving innovation, digitalisation and the energy transition, and creating value for our shareholders, our employees and society as a whole. This is the essence of our values, of our projects and of our commitment.

Thank you very much for listening. Thank you very much and I now would like to give the floor to our CEO, Juan Santamaría.