



**2023**

**RESULTS**

**PRESENTATION**

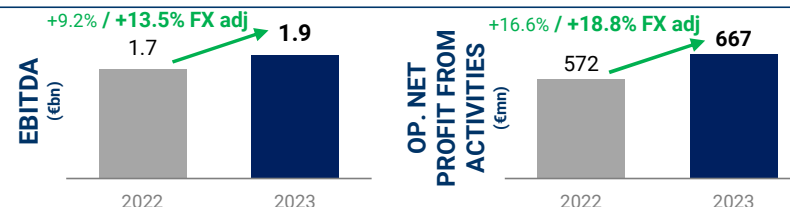
**March 1<sup>st</sup>, 2024**



## 2023 Results – Executive Summary

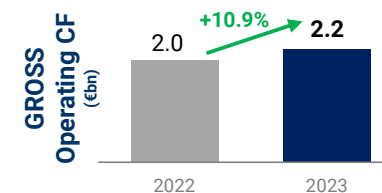
### 1 Outstanding 2023 operating results across businesses

- ✓ Operational Net Profit from Activities of € 667 mn, (+16.6 %), exceeding 2023 guidance
- ✓ Revenues grew by 6.3% (10.3% FX adjusted) at € 35.7 bn
- ✓ EBITDA margin improved to 5.3% (vs. 5.2%) to reach € 1,909 mn (+9.2% / +13.5% FX adjusted)



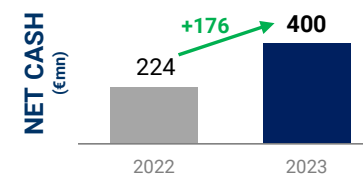
### 2 Solid Cash Flow generation with Gross Operating CF growing at 10.9% to reach € 2.2 bn

- ✓ Sustained high level of cash conversion
- ✓ Free Cash Flow available for shareholders remuneration and strategic capital allocation of € 1.1 bn



### 3 Net cash position at year end of € 400 mn, up € 176 mn

- ✓ Solid net cash of € 400 mn after the investment of € 462 mn to increase ACS stake in Hochtief to 78.5 %
- ✓ Remuneration to ACS shareholders and minorities amounted to € 632 mn



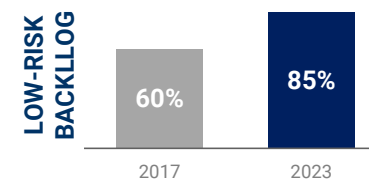
### 4 Promising growth prospects in strategic sectors and markets

- ✓ New Orders up 15.4 % to reach € 45.1 bn, 44 % of which in strategic high-growth markets
- ✓ Total backlog of € 73.5 bn has grown by 9.5 % FX adjusted with North America and Europe growing at double digit



### 5 Enhanced risk management policy and increased weight of lower-risk contracts

- ✓ Proportion of lower-risk order book has significantly increased over the last 6 years to approximately 85%
- ✓ Risk-sharing alliances, collaborative contracts, contract management services and cost-plus contract-types



## 2023 Key figures

Consistently solid results, strengthening of backlog and strong financial position

| <i>Figures in € mn</i>    | 2022          | 2023          | % Var.        | % Var.<br>(FX adj.) |
|---------------------------|---------------|---------------|---------------|---------------------|
| <b>SALES</b>              | <b>33,615</b> | <b>35,738</b> | <b>+6.3%</b>  | <b>+10.3%</b>       |
| <b>EBITDA</b>             | <b>1,747</b>  | <b>1,909</b>  | <b>+9.2%</b>  | <b>+13.5%</b>       |
| <b>NET PROFIT</b>         | <b>668</b>    | <b>780</b>    | <b>+16.7%</b> | <b>+18.5%</b>       |
| <b>BACKLOG</b>            | <b>68,996</b> | <b>73,538</b> | <b>+6.6%</b>  | <b>+9.5%</b>        |
| <b>GROSS OPERATING CF</b> | <b>2,026</b>  | <b>2,247</b>  | <b>+221</b>   |                     |
| <b>NET CASH</b>           | <b>224</b>    | <b>400</b>    | <b>+176</b>   |                     |

(1) Includes non-recurrent results and the contribution of the Energy assets and Real Estate activities

## Net Profit by Activity

+20% EPS growth on the back of strong operating results

Figures in € mn

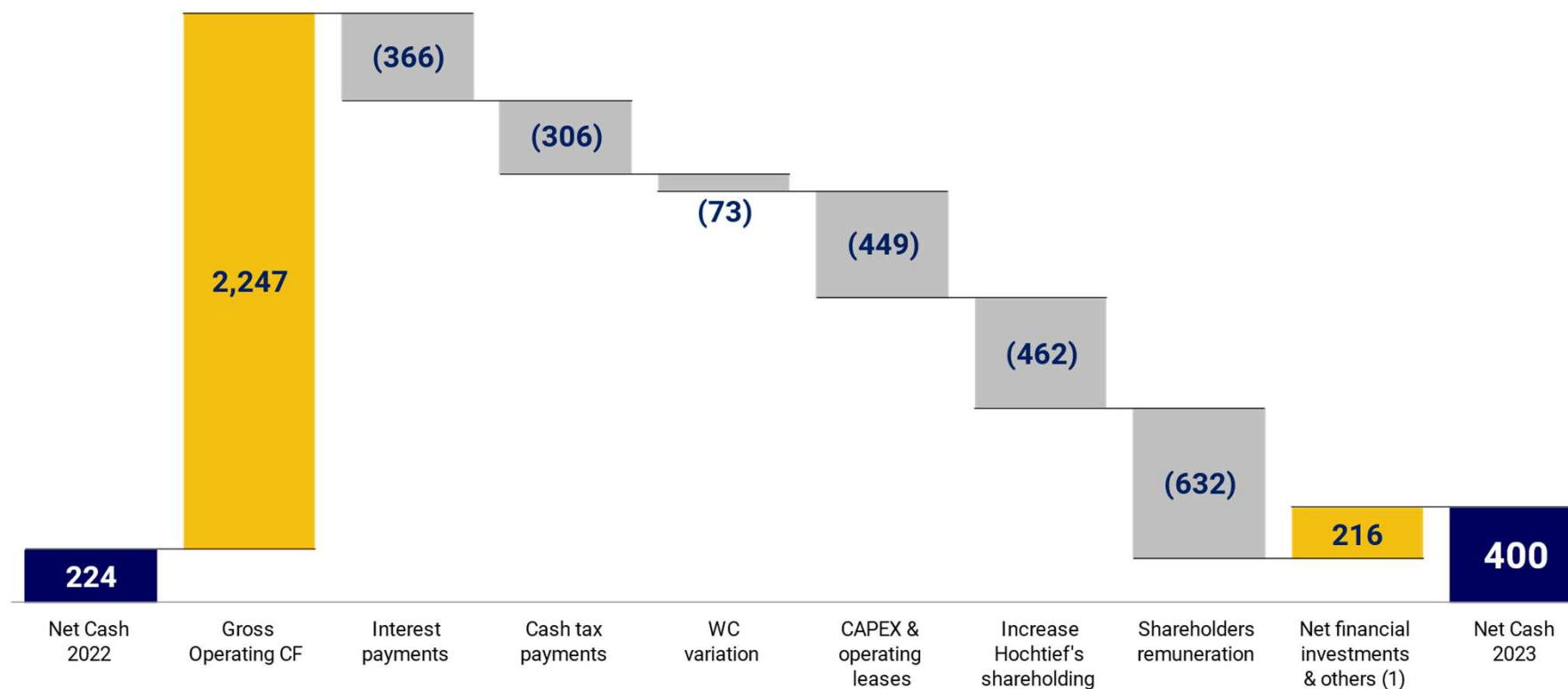
|   | 2022       | 2023       | Var (%)       | FX Adj (%)    |
|---|------------|------------|---------------|---------------|
| Construction                                  | <b>350</b> | <b>434</b> | <b>+23.8%</b> | <b>+27.7%</b> |
| Concessions                                   | <b>194</b> | <b>206</b> | <b>+5.7%</b>  | -             |
| Services                                      | <b>27</b>  | <b>28</b>  | <b>+1.3%</b>  | <b>+1.3%</b>  |
| <b>Operational Net Profit from Activities</b> | <b>572</b> | <b>667</b> | <b>+16.6%</b> | <b>+18.8%</b> |
| Corporation & others <sup>(1)</sup>           | 96         | 113        |               |               |
| <b>Net Profit</b>                             | <b>668</b> | <b>780</b> | <b>+16.7%</b> | <b>+18.5%</b> |
| EPS   | 2.50 €     | 3.00 €     | +19.7%        | -             |

(1) Includes non-recurrent results and the contribution of the Energy assets and Real Estate activities

## Change in financial position

Solid cash flow generation coupled with disciplined strategic capital allocation resulted in increased net cash position at 2023 year-end

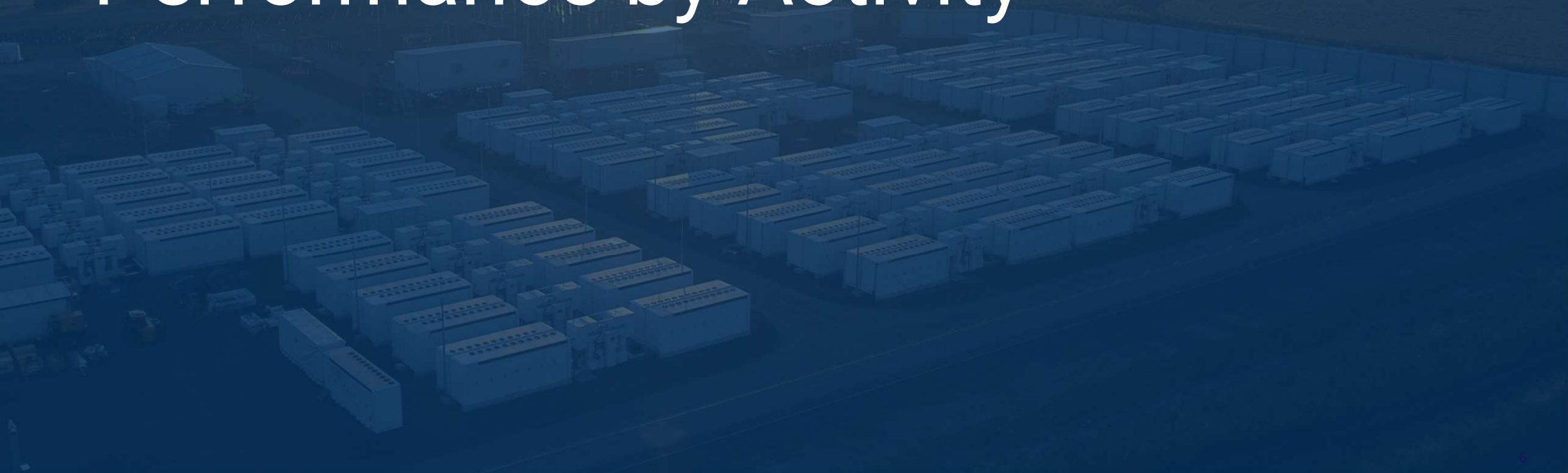
Figures in € mn



(1) Includes, among others, extraordinary payments (Ichthys and radials), adjustments for changes in scope (includes the SH288's debt classified as asset held for sale for € 495 million) and FX adjustments

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# Performance by Activity



## Construction

Turner

FLATIRON

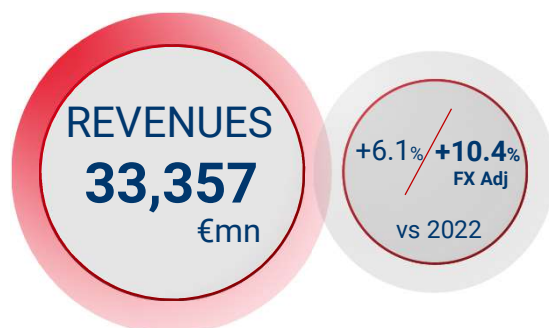


HOCHTIEF

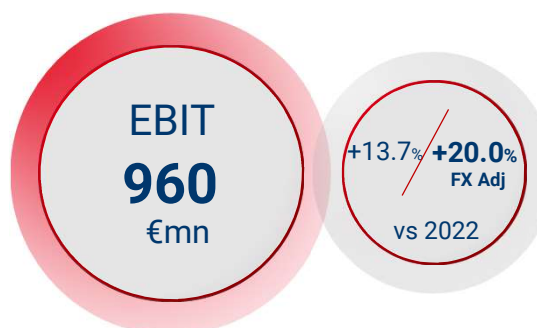


CIMIC

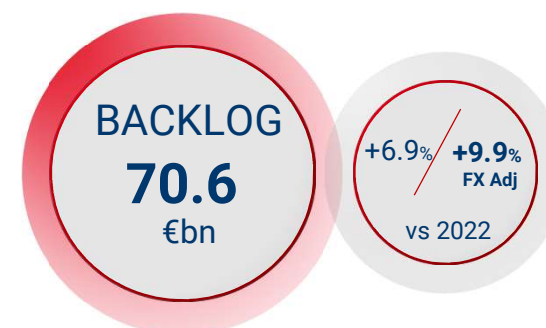
DRAGADOS



- Consolidated growth trend across markets with double digit growth in US (+10%) and Australia (+22%) FX adjusted
- Outperformance coming from high growth segments with work done increasing +16%



- Operating margin improvement based on an increasing contribution from high-end projects, especially in North America



- Order intake boosted by high growth markets (+25%), particularly coming from digital infrastructure, energy transition, sustainable mobility and BHE\* projects

(\*) Biopharma, Healthcare and Education

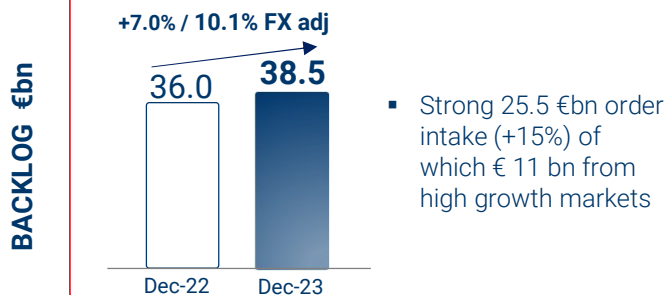
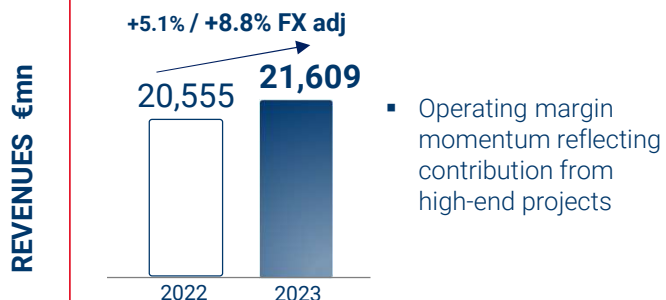
# Construction



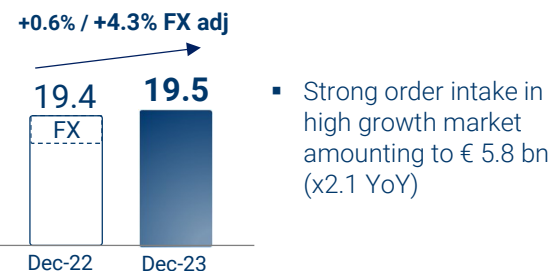
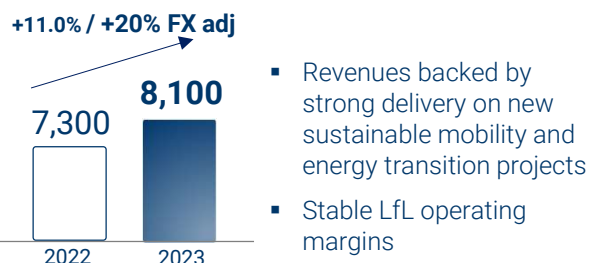
## Revenues and Backlog by region

Strong growth across all regions in Construction

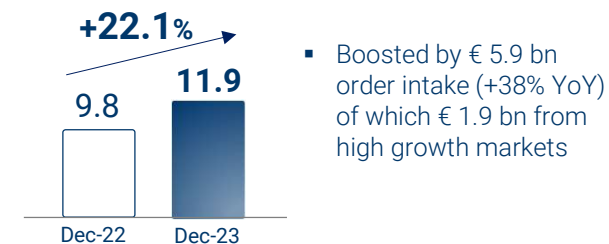
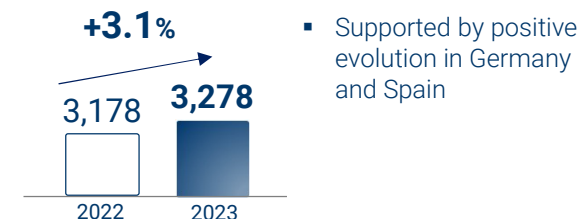
### N. America



### Asia Pacific



### Europe



Note: Does not include Dragados revenue and backlog in Latam, as well as the revenues recorded by HOT HQ

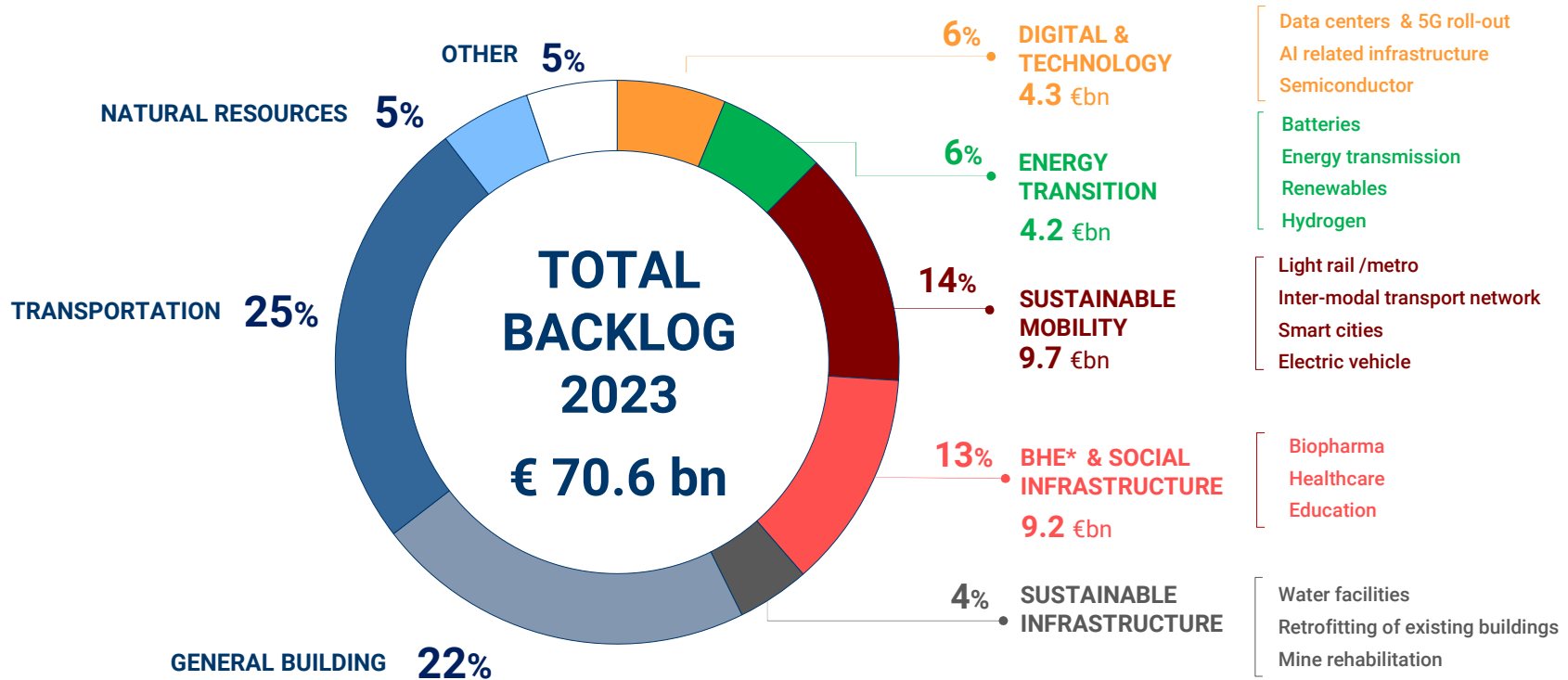


**Construction**



## Backlog by type of project

The group's construction backlog continues to diversify towards high growth markets



(\* Biopharma, Healthcare and Education)

# Construction

Turner

FLATIRON



HOCHTIEF



CIMIC

DRAGADOS



## Selected projects

2023 contract New Orders in both high growth and traditional markets

### ▶ Energy transition

- **Manufacturing facility for electric vehicle batteries** for Panasonic Energy in De Soto, Kansas, USA
- High voltage **electricity transmission project** to connect and to significantly increase the capacity of the electricity network in Australia's eastern states
- **Expansion of the Western Downs Battery project** for Neoen, one of the world's leading producers of exclusively renewable energy in Brisbane, Australia
- **Several contracts in the energy and mineral processing sector** including the construction of a lithium hydroxide plant and four other contracts providing various energy services in Western Australia
- Contract to develop, invest in, and manage delivery and operations of the **Hopeland Solar Farm** in Queensland, Australia

### ▶ Defense

- New graving **dry dock** for the maintenance and repair of the Pacific Fleet's nuclear submarines on the island of Hawaii, USA
- Construction of two buildings at **Offutt Air Base** outside Omaha, Nebraska (United States), USA
- Contract to provide strategic advice, planning, supply management, operations, and maintenance for the **Australian Defense Force's (ADF) fuel network**, Australia

### ▶ Digital & Technology

- Construction of **ten large scale data center** projects in several US states, USA
- **Hyperscale multi phase data center** project in Quezon City, Philippines
- Construction of a campus eventually comprising **four separate data centers** with 60MW capacity in Warsaw, Poland

### ▶ Civil & Building

- **Widening of US 69** in Tyler County Line, Texas, USA
- **New Stadium** of the Tennessee Titans in Nashville and for the Buffalo Bills of the NFL in Orchard Park, New York, USA
- Modernization and renovation of two existing buildings of the **UN Plaza buildings**, from 1975 resp. 1983, New York City, USA
- Modernization of the facilities at **Boston Logan's international Terminal E**, Massachusetts, USA

### ▶ BHE\* and Social Infrastructure

- Design and construction of the new **Bundaberg Hospital** in Queensland, Australia
- Construction of **laboratories** for three public sector clients in Kassel, Germany
- Construction of the **Orlando Health Wiregrass Ranch Hospital** in Wesley Chapel, Florida, USA
- Construction of a **biological containment level 4 laboratory** in Madrid, Spain

### ▶ Sustainable mobility

- **Fast-charging network** for electric vehicle in Germany
- Development of the first major tunnel package of the **Suburban Rail Loop East** project for the Victorian government, Australia
- Progressive design and build of **Calgary's Green Line Light Rail Project** in Calgary, Canada

(\*) Biopharma, Healthcare and Education



## Concessions



- Abertis strong performance after a substantial average tariff increase (+7%) and good traffic evolution (+3.4%)
- Sale of 56.76% of the SH-288 from Iridium to Abertis for € 1,415 mn, generating a € 180 mn capital gain, net of commissions and taxes
- Iridium consolidated the SH-288 highway during the year



# Concessions

## Performance by company

Good operating performance at Abertis and impact of SH-288 transaction

|                 | 2022 | 2023 |
|-----------------|------|------|
| EBITDA € mn     | 167  | 199  |
| NET PROFIT € mn | 143  | 179  |

|                      | 2023   | Var.   |
|----------------------|--------|--------|
| Revenues             | 5,532  | +8.4%  |
| EBITDA               | 3,893  | +10.1% |
| Net Profit (pre PPA) | 766    | +14.7% |
| Net debt             | 25,875 | +18.6% |

*Dividends paid in May amounting to 602 €mn (297 €mn to ACS Group)*

- 2023 tariffs increase (+7%) and positive traffic performance (ADT +3,4%) offsetting Chile's exit from the perimeter
- 2024 expected tariff increase above 4.5%
- The ruling of the Spanish Supreme Court on the AP-7 agreement led to an impact of € (14.5) mn in ACS Groups Consolidated results in 2023
- Net debt of € 25.9 bn including recent acquisitions

|                 | 2022 | 2023               |
|-----------------|------|--------------------|
| EBITDA € mn     | 59   | 106 <sup>(1)</sup> |
| NET PROFIT € mn | 51   | 206                |
| Capital Gains   | -    | 26                 |

- SH 288 soft cap increasing by 14.9% in 2023. Increase for 2024 of 15.2% following Texas' GSP growth
- Average daily revenues for the year reached \$ 309,816 with an average transaction fee of \$ 3.58

(1) Includes € 60 mn of EBITDA from the consolidation of the SH-288

## Concessions

### Abertis

- In **July 2023**, ACS signed an agreement with Mundys:
  - to promote a Growth Investment Plan expanding the portfolio of assets under management;
  - while maintaining an optimal capital structure in line with the requirements of credit rating agencies
  - New corporate governance structure for the Company
- In 2023, Abertis carried out **transactions to reinforce its concessional activity**

**JUL. 23**

**USA**

**SH- 288**



- Acquisition of a **56.76% stake** of the SH-288 in Houston to Iridium for \$ 1,532 mn
- **17 km of managed lanes** capturing most of the traffic of South of Houston
- **45-year life left** concession relying on dynamic tolling that can be adjusted to maintain traffic above the target speed

**OCT. 23**

**Puerto Rico**

**PR-52 | PR-66  
PR-20 | PR-53**



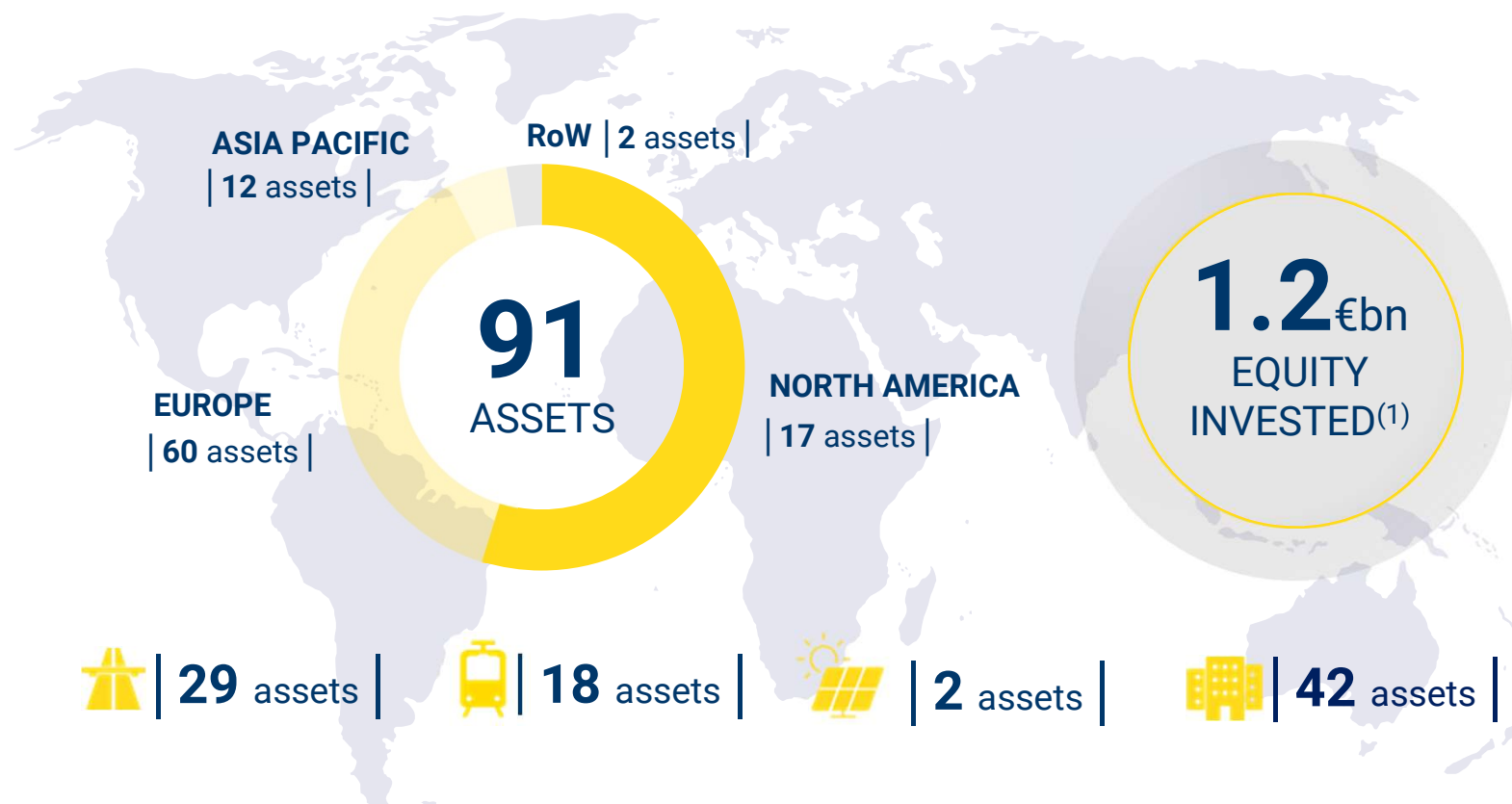
- Abertis won the bidding process for **four new toll roads in Puerto Rico** worth **\$ 2,850 million** for a period of **40 years** (expiry 2063)
- **192km of toll roads** (>60% of the island's tolled traffic) strategically connected to the metropolitan area of San Juan. Alternative routes very limited

- In **early 2024 Abertis' shareholders** contributed **€ 1.3 bn equity** (100%) to support the financing of the latest acquisitions in Puerto Rico and the SH-288 in Houston, USA

## Concessions

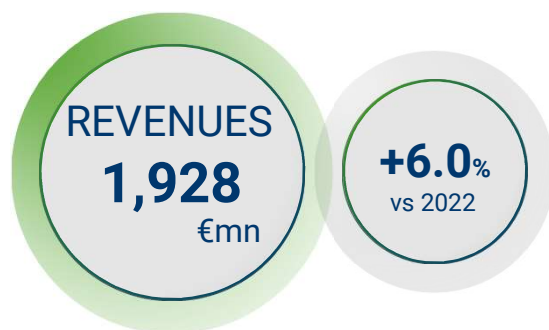
### Greenfield equity infrastructure investments

Strong greenfield concessional portfolio and pipeline of new projects

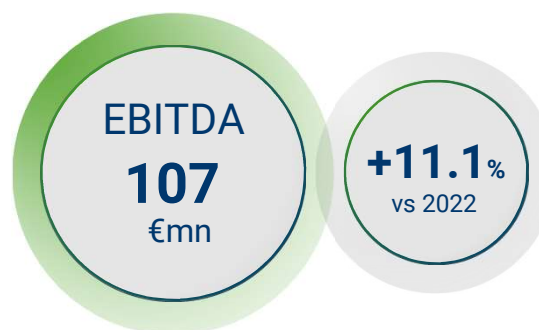


(1) Considering only the 43% investment in the SH-288

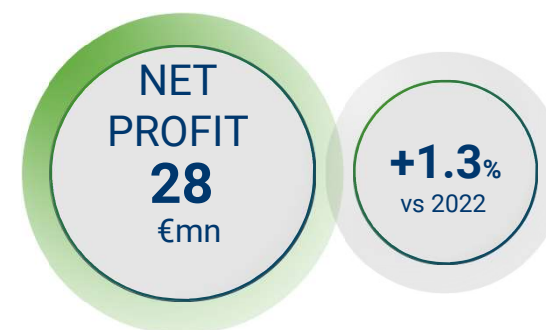
## Services



- Strong operating performance in Spain and abroad



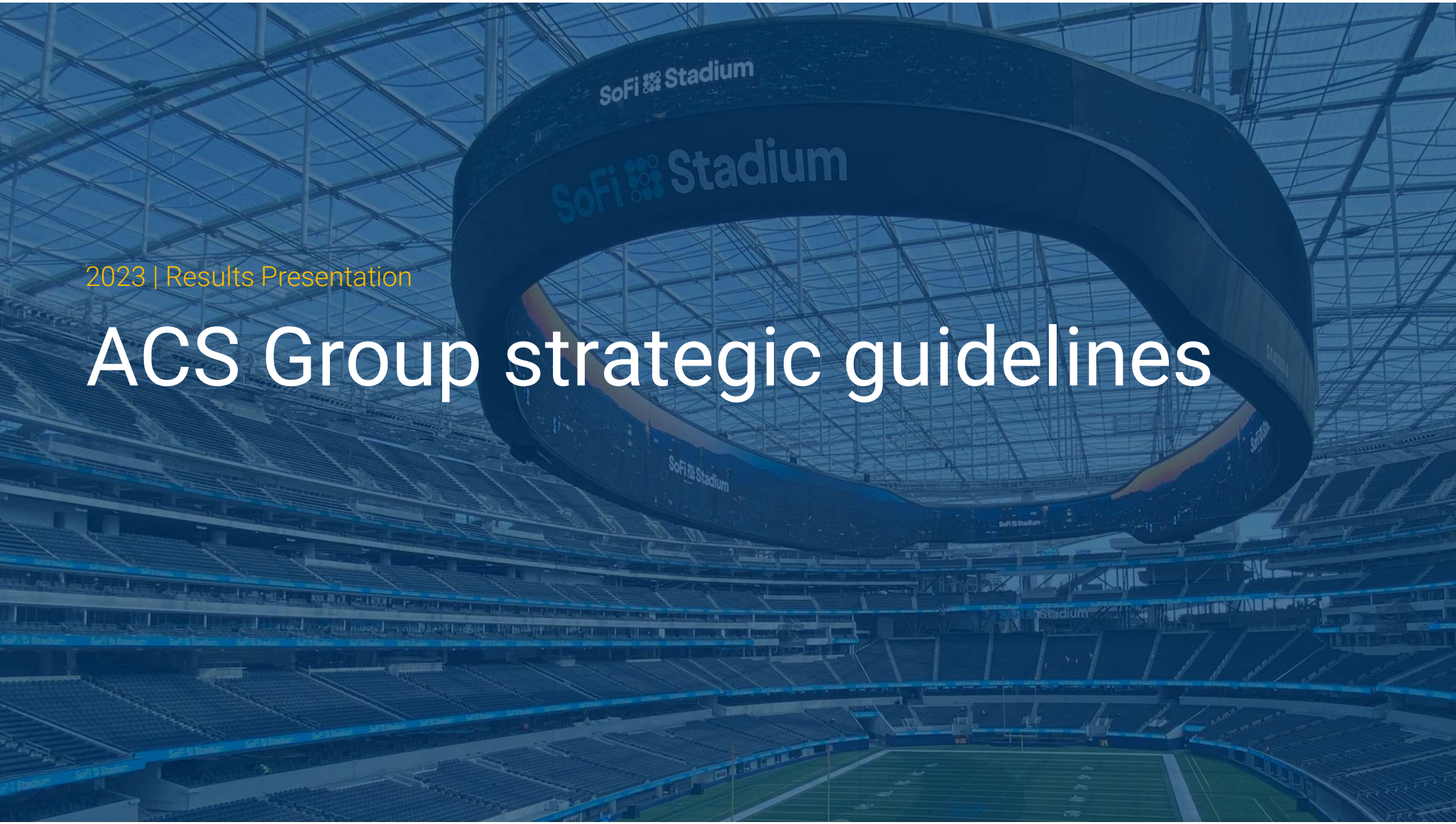
- Operating margin stability



- Net profit in line with last year's result

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# ACS Group strategic guidelines





## ACS Group strategic guidelines

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Promote the **integration** of the **group companies'** operations and **simplification** of the group structure



Leverage our global position to capture growth opportunities in **development and investment in Digital & Technology, Energy Transition, Biopharma, Health & Education, Sustainable Mobility** and **Civil works & Building projects**



Focus on **cash generation** stability and **balance sheet strength** through **reinforced risk management**



**Disciplined strategic capital allocation** policy to grow and maintain an **attractive shareholder remuneration**



# Integrated approach to operations and simplification of the ACS Group

Operations integrated platform in i) Integrated Solutions, ii) Engineering and Construction and iii) Infrastructure Investment



## Strategic initiatives to leverage our unique position to capture growth

Initiatives focused on improving our risk profile while pursuing high-growth in strategic markets

De-risked approach to contracting

Enhance the group's engineering capabilities

Global supply chain procurement

Offer global service to large multinational clients

### ▶ STRATEGIC INITIATIVES ◀

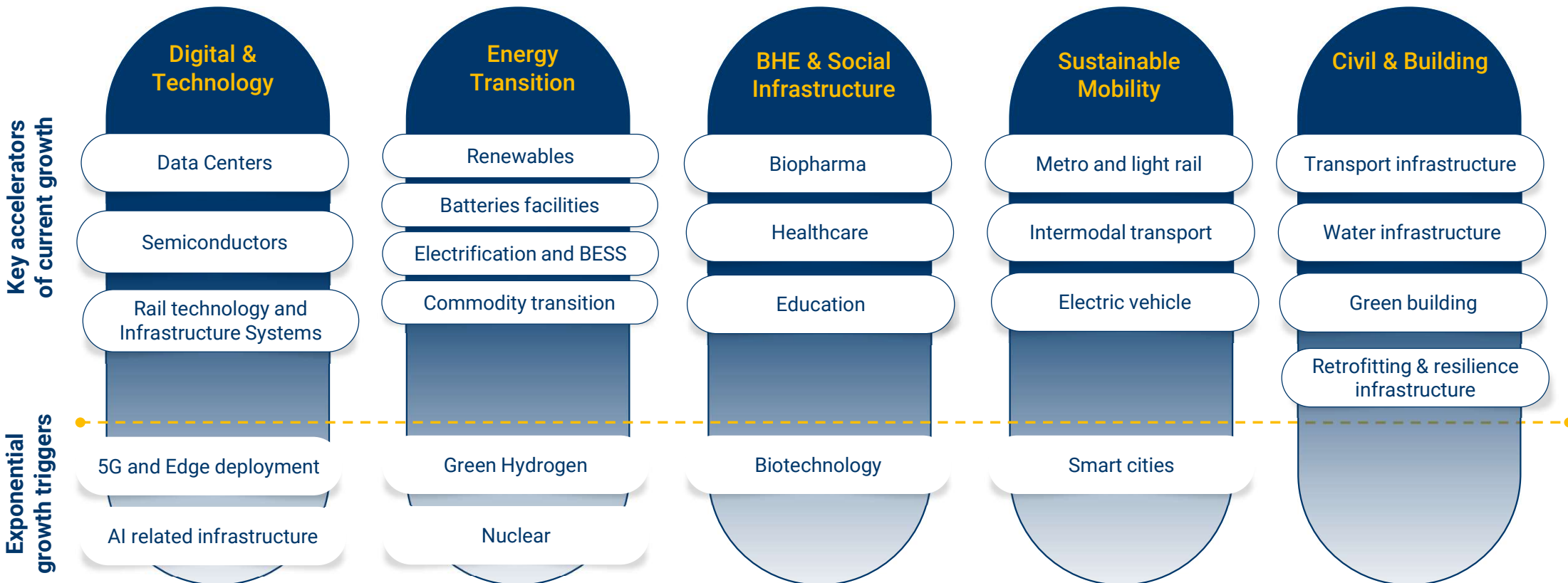
Further operational integration to pursue Group synergies

Development of a global know-how platform for key strategic growth segments

Investing in infrastructure assets both in Transport, Social, Energy and Digital

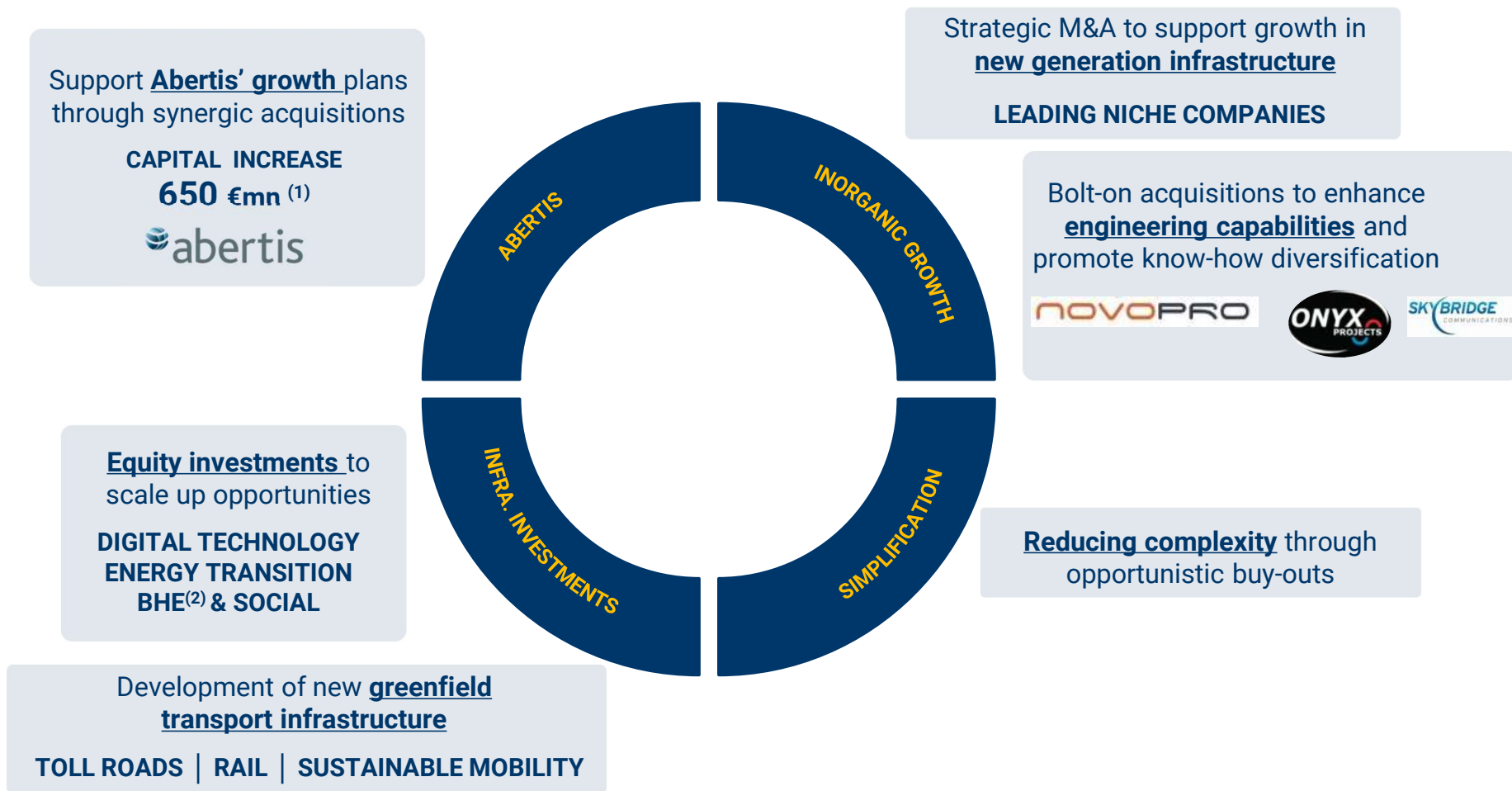
# Digitalization, decarbonization and reshoring as key mega trends

Next wave of infrastructure investment in Digital & Technology, Energy Transition, BHE & Social and Sustainable Mobility



# Disciplined strategic capital allocation policy

Goal is to support diversification, simplification and growth while maintaining an attractive shareholder remuneration



(1) Corresponding to 50% of the € 1,300 million contributed by ACS Group  
(2) Biopharma, Healthcare and Education



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# Conclusions



## Conclusions

### ▶ Solid operating performance

REVENUES

**+10.3%**

(FX adjusted)

EBITDA

**+13.5%**

(FX adjusted)

EPS

**3.00€**

+19.7% YoY

OPERATIONAL NET PROFIT FROM ACTIVITIES

2023A FY

**+16.6%**

vs. 5-10% guidance

2024 FY TARGET

**+5-10%**

### ▶ Strategic steps on value creation

- ✓ Focus on opportunities in high growth markets with an integrated group approach
- ✓ Reinforced risk management, higher weight of low-risk contracts
- ✓ Selected M&A and equity investments in digital & technology, energy transition and mobility markets
- ✓ Transport infrastructure investments through Abertis and development of greenfield opportunities worldwide

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# ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

