

# Business & Trading Update

August 2024



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## Industry Data

To the extent available, the industry, market and competitive position data contained in the Information comes or has been derived from official or third-party sources. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, none of the Company, and the Group or any of their respective Representatives has independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in the Information come from the Company’s own internal research and estimates based on the knowledge and experience of the Company’s management in the markets in which the Company and the other members of the Group operate. While the Company believes that such research and estimates are reasonable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change or correction without notice. Accordingly, reliance should not be placed on any of the industry, market or competitive position data in the Information.

## Financial Information

Certain financial and statistical information contained in the Information is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain financial information and operating data relating to the Company and the Group contained in the Information has not been audited and, in some cases, is based on management information and estimates and is subject to change.

The financial information included herein has been derived from the Company’s consolidated audited annual accounts as of and for the financial year ended 31 December 2023 that have been prepared in accordance with the International Financial Reporting Standards IFRS as adopted by the EU and in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (the “2023 Consolidated Annual Accounts”) and from the Company’s consolidated interim financial information as of and for the six-month period ended 30 June 2024, which has been prepared using accounting policies consistent with those applied in the preparation of the 2023 Consolidated Annual Accounts and which have been subject to standard review of interim financials (IAS 34) by the auditor of the Company although the audit report has not yet been issued and therefore may be subject to adjustment. The 2023 Consolidated Annual Accounts are subject to approval by the general shareholders’ meeting.

## Alternative Performance Measures (APMs)

The Presentation contains certain non-IFRS financial measures of the Company and the Group derived from (or based on) its accounting records, and which it regards as alternative performance measures (“APMs”) for the purposes of Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 and as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Other companies may calculate such financial information differently or may use such measures for different purposes than the Company and the Group do, limiting the usefulness of such measures as comparative measures. These measures should not be considered as alternatives to measures derived in accordance with IFRS, have limited use as analytical tools, should not be considered in isolation and, may not be indicative of the Company and Group’s results of operations. Recipients should not rely on this Information.

Certain data in the Information are simply the Company’s targets, rather than profit forecasts. There can be no assurance that these targets can or will be met and they should not be seen as an indication of the Company’s expected or actual results or returns.

## Coxgroup H1 2024 Trading & Business Updates

**1**

### Concessions (Water & Energy)

- Delivery of 2024 business targets: i) signing of new concession in South Africa<sup>(1)</sup> ii) agreement for expansion of Agadir<sup>(2)</sup> and iii) start of construction of new Brazil transmission concession
- H1 2024 results biased by the Bioenergy (natural and usual) seasonality

**2**

### Services

- Services backlog increased to €1.6bn in H1 2024 with attractive margins (11.7%<sup>(3)</sup> average blended net project margin)
- Robust backlog and bookings will support growth delivery, already starting in H2 2024 (including cash flow generation) and will set the path for a strong 2025

**3**

### Coxgroup

- Completion of integration process and ending of legacy one-offs
  - Cash flow has been impacted by working capital outflows from pre-integration projects
- Secured three strategic alliances across the hydrogen and battery/storage to keep CoxGroup at the forefront of the sustainability innovation

**Robust H1 2024 performance provides Coxgroup with high visibility into a strong H2 2024 results and lay the ground for a successful 2025**

# Coxgroup H1 2024 Trading & Business Updates

## 1 3 NEW CONCESSIONS IN H1 2024 Water, energy and transmission OCDE and similar countries. Securing revenues with PPA/WPA agreement and local partners

**1.1** CONTRACT HAS BEEN AGREED FOR AGADIR WATER CONCESSION EXPANSION <sup>(3)</sup>

Dec. 2025 CoD

+125k m3 /day

**1.2** STARTING OF CONSTRUCTION OF NEW TRANSMISSION CONCESSION IN BRAZIL

2028 CoD

**1.3** ACQUISITION OF NEW ENERGY CONCESSION IN SOUTH AFRICA

Khi Solar One<sup>(1)(2)</sup>

16 Jul. 2024 Acquisition Date

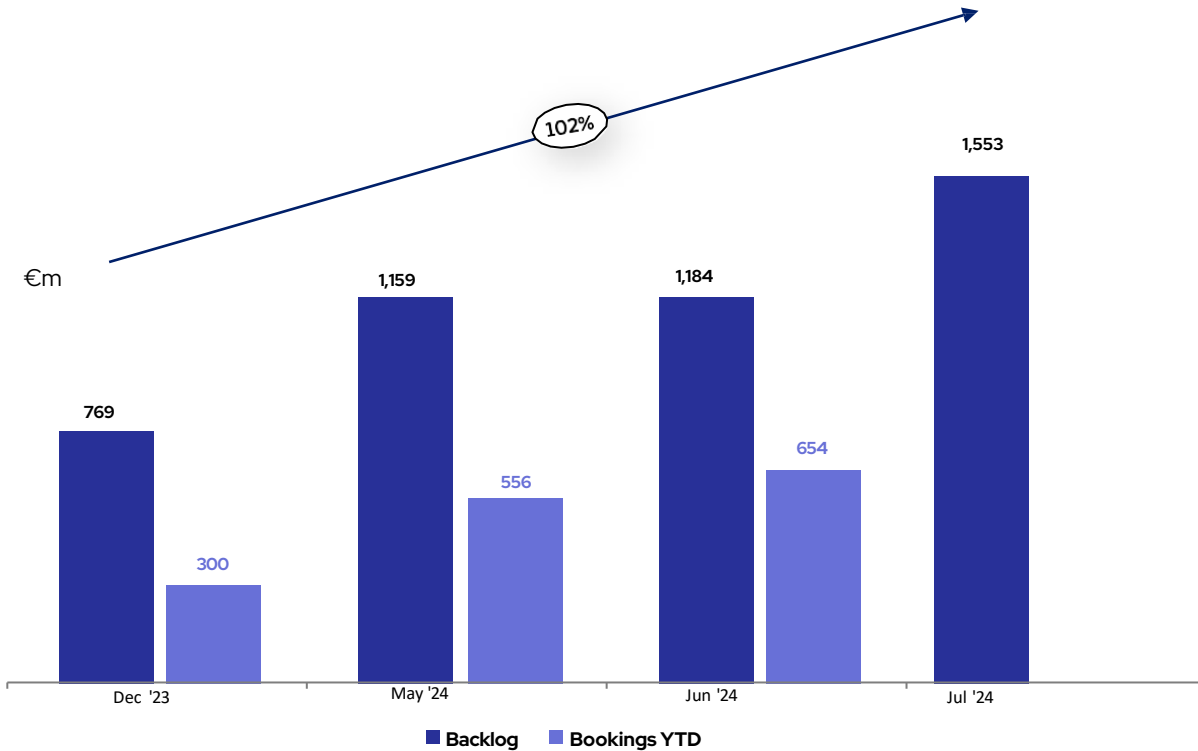
Not Reflected in H1 2024

## 2 STRONG INCREASE IN SERVICES CONTRACT BACKLOG Services Backlog Increased to €1.6bn in H1 2024 with Attractive Margins

## 3 ROBUST FINANCIAL RESULTS Revenues €306m (vs €196m in H1 23) | EBITDA <sup>(5)</sup> €81m (vs €24m in H1 23)

## 4 ASSET ROTATION IN SPAIN Additional 54MW delivered under the agreement with CTG <sup>(6)</sup>

## Services Contract Backlog<sup>(1)</sup> Increased to €1.6bn as of July 2024



### Revenue Recognition Period for Existing Contract Backlog <sup>(2)</sup>

Water EPC	24 months
Generation EPC	18 months
Transmission EPC	36 months
O&M	15 years

### Key Takeaways

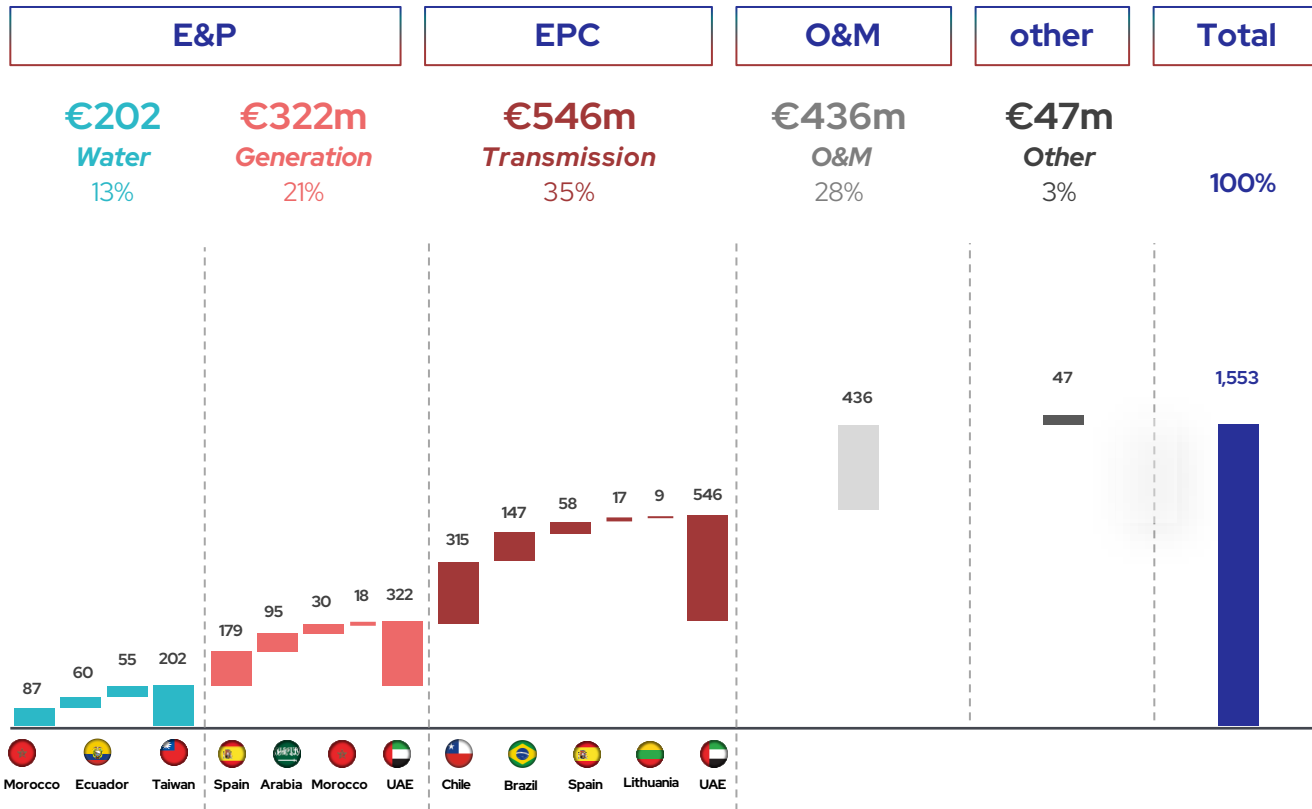
Contracts signed pending execution will accelerate H2 2024 revenues and crystalize largely in 2025

Contract backlog growth supported by a healthy balance sheet

Acceleration in booking and contract backlog to support service EBITDA ramp-up

Attractive margins for portfolio

## Services Contract Backlog<sup>(1)</sup> Increased to €1.6bn as of July 2024



### 11.7% NET PROJECT MARGIN<sup>(2)</sup>

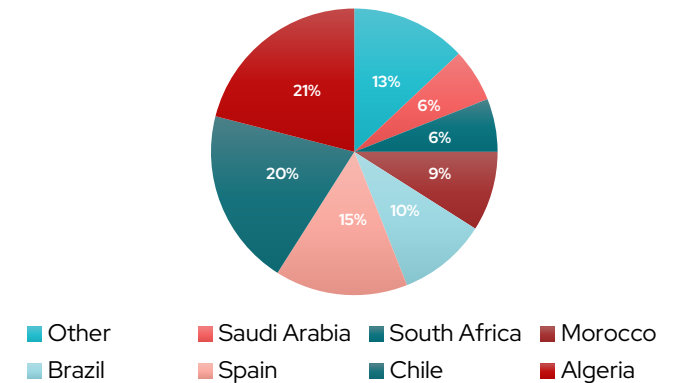
Average blended EBITDA Margin

### Strong Visibility

- €3.9bn Offers submitted pending resolution
- €2.4bn Offers expected to be submitted in August 24<sup>(3)</sup>

Average O&M contracts term: 15 years

### Contract Backlog Breakdown by country<sup>(4)</sup>



\* Does not include KHI acquisition (July 2024)

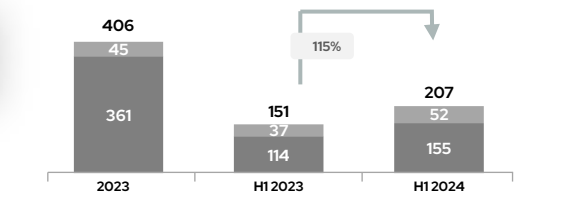
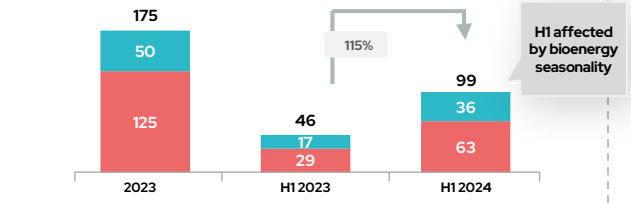
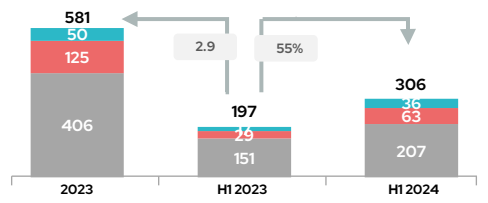
# H1 2024 Financial Performance

**Coxgroup**  
Business ramp up with near term prospects secured

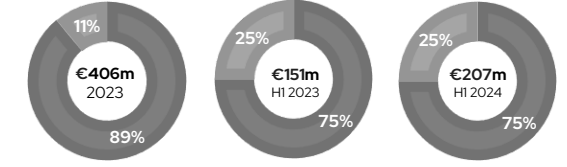
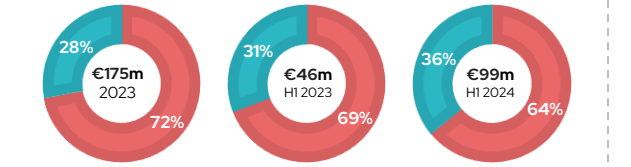
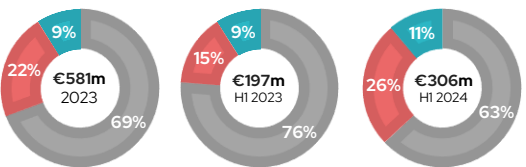
**Assets & Concessions**  
Concession driven business model: Stable business with 3 new concessions in H1 24

**Services**  
Engineering and O&M H1 24 awarded projects doubled FY 23 Strong contribution and good visibility (2)

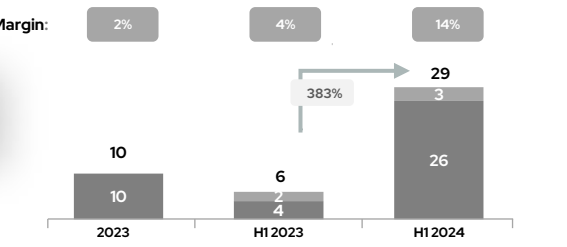
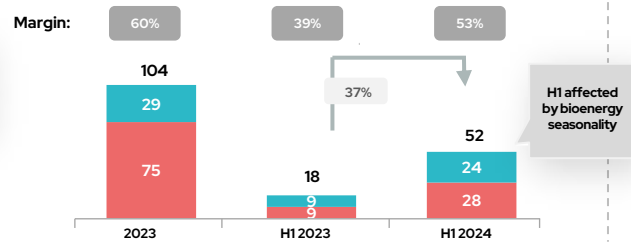
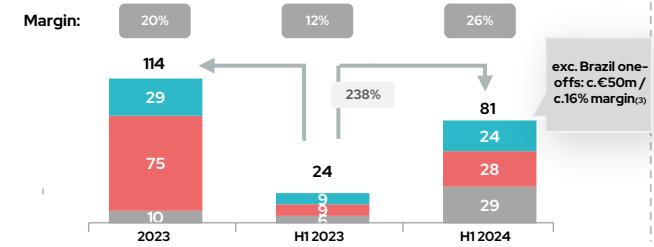
**REVENUE**  
Revenues will be back ended, expecting a positive H2 thanks to the positive contribution of 1) services backlog signed; 2) the contribution of Khi Solar One; 3) harvesting period in Sao Joao Plant



**REVENUE SPLIT**  
Expect an increasing contribution of the Water division on the back of new concessions, reinforced with IPO proceeds



**EBITDA (1)**






■ Generation ■ Water ■ Services

■ Generation ■ Water

■ Engineering ■ O&M

## Three Strategic Alliances Secured to Keep CoxGroup at the Forefront of the Sustainability Innovation

	<ul style="list-style-type: none"> <li>• The agreement between Cox Group and Hygreen includes the manufacture and integration of components and products in the premises of Coxgroup in Andalusia</li> <li>• Hygreen Energy is a leading global company (Top 5) in the design and manufacture of hydrogen production systems using electrolyser technology</li> </ul>
	<ul style="list-style-type: none"> <li>• Gotion is a leading company in the battery production, to develop energy storage projects</li> <li>• The alliance between both companies includes the construction and commissioning of battery plants in Europe, Africa, the United Arab Emirates and America, as well as the start-up of facilities for recycling to provide a sustainable response to the waste generated</li> </ul>
	<ul style="list-style-type: none"> <li>• Coxgroup has become a shareholder of Malta, Google's spin-off, with a 5% stake to develop a long-duration storage solution</li> <li>• Coxgroup enters as an industrial shareholder with 5% of the company and technology partner</li> <li>• Malta's partners include Breakthrough Energy Ventures (the initiative led by Bill Gates, together with Marc Zuckerberg, Jeff Bezos, Jack Ma and Richard Branson, to promote green technologies that contribute to the development of renewable energies) Siemens Energy, Alfa Laval, Proman, Google, Piva and Chevron, among other prominent world leaders</li> </ul>



## H1 2024 Key Financial Metrics: P&L

P&L (€'000)				
		H1 2024	H1 2023	Delta (%)
Revenue		306,399	196,503	56%
Change in Inventories		(6,240)	4,070	
Other Income	<b>A</b>	51,426	18,080	
Raw Materials		(98,613)	(75,339)	
Personnel Expenses		(87,985)	(60,705)	
Other Operating Expenses	c. €50m	(83,739)	(58,867)	
<b>EBITDA</b>	excluding one-off	<b>81,248</b>	<b>23,742</b>	<b>242%</b>
<b>B</b> Depreciation and Amortization		(21,723)	(7,552)	
Impairments and Other		(3,028)	(3,410)	
<b>EBIT</b>		<b>56,497</b>	<b>12,780</b>	<b>342%</b>
Financial Income/(Expense), Net		(12,129)	(8,455)	
Foreign Exchange Rate Changes, Net		6,99	1,092	
Other Net Financial Expenses/Income	<b>C</b>	(10,574)	(320)	
Associates		(933)	(1,286)	
<b>EBT</b>		<b>39,783</b>	<b>3,811</b>	<b>944%</b>
Tax	<b>D</b>	(1,458)	(1,913)	
<b>Net Income</b>		<b>38,325</b>	<b>1,898</b>	<b>1,919%</b>
Non-Controlling Interests		(3,816)	1,780	
<b>Net Income for the Parent Company</b>		<b>34,509</b>	<b>3,678</b>	<b>838%</b>

Considerations	
<b>A</b>	<p><b>Includes income one-offs from positive results out of two processes in Brazil (€31m):</b></p> <ul style="list-style-type: none"> <li>• €25m from an unpaid tariff</li> <li>• €6m on a judicial outcome in relation to a transmission EPC project</li> </ul>
<b>B</b>	<p><b>D&amp;A increase mainly explained by:</b></p> <ul style="list-style-type: none"> <li>• H1 2023 is only reflecting 3 months financial consolidation given acquisition of Abengoa productive units in April</li> <li>• Inclusion of IFRS-16 in Brazil under D&amp;A (previously under other operating COGS) <ul style="list-style-type: none"> <li>• <i>Total IFRS-16 impact in H1 2024: €4.2m</i></li> </ul> </li> </ul>
<b>C</b>	<p><b>Mainly due to the inclusion of non-cash provisions</b></p>
<b>D</b>	<p><b>Limited tax expense due to Brazil one-off (€31m) offset against tax losses</b></p>

## H1 2024 Key Financial Metrics: Cash Flow

	Cash Flow (€'000)			
		H1 2024		H1 2023
	Normalised	One-offs	Reported	
Net Income	8.824	<b>A</b> 29.501	38,325	1,898
Non-Cash Items Adjustments <sup>(1)</sup>	<b>B</b> 11.891		11,891	13,019
Changes in Working Capital	2.163	<b>C</b> (46.501)	(44,338)	30,908
Interest and Taxes Received/(Paid)	(19,073)		(19,073)	(17,426)
<b>Cash Flow From Operating Activities</b>	<b>3,805</b>	<b>(17.000)</b>	<b>(13,195)</b>	<b>28,399</b>
Business Combination			-	129,812
Investments			(5,983)	(4,001)
Divestments			-	-
<b>Cash Flow From Investment Activities</b>			<b>(5,983)</b>	<b>125,811</b>
<b>D</b> Proceeds of Financial Liabilities			23,875	-
Payment of Financial Liabilities			(21,553)	(23,309)
<b>Cash Flow From Financing Activities</b>			<b>2,322</b>	<b>(23,309)</b>
<b>Change in Cash</b>			<b>(16,856)</b>	<b>130,901</b>

Considerations	
<b>A</b>	<b>Includes positive €30m (net of taxes) one-offs from two judicial processes in Brazil</b>
<b>B</b>	<b>Includes:</b> <ul style="list-style-type: none"> <li>• €25m depreciation and amortization, impairment and others</li> <li>• €12m net financial income / expense</li> <li>• €1m taxes</li> <li>• -€27m of other: i) concessions (mainly IFRIC 12 adjustments) ii) foreign exchange rate changes iii) other net financial expenses/income iv) other items</li> </ul>
<b>C</b>	<b>Working capital impacted by:</b> <ol style="list-style-type: none"> <li>1. Brazil €30m one-off currently in an escrow account given ongoing appeal process (negatively impacting working capital)</li> <li>2. €17m impact from legacy projects from productive units of Abengoa (one-offs linked to Taweelah, Dewa, Salalah and Shuaibah)</li> </ol>
<b>D</b>	<b>Use of credit lines to finance working capital</b>

## H1 2024 Key Financial Metrics: Debt

		Leverage (€'000)		
		H1 2024	FY 2023	Delta (%)
<b>A</b>	Debt with Credit Entities	28,852	5,992	
	Financial Leases	37,916	44,502	
<b>B</b>	Other Liabilities	11,310	10,983	
	<b>Corporate Debt</b>	<b>78,078</b>	<b>61,477</b>	<b>27%</b>
	Project Finance Debt	213,746	218,571	
	<b>Gross Debt<sup>(1)</sup></b>	<b>291,824</b>	<b>280,048</b>	<b>4%</b>
	Less: Project Finance Debt	(213,746)	(218,571)	
	<b>Adjusted Gross Debt<sup>(2)</sup> (excl. Project Finance Debt)</b>	<b>78,078</b>	<b>61,477</b>	<b>(27%)</b>
	<b>Cash &amp; Equivalents<sup>(3)</sup></b>	<b>78,827</b>	<b>97,865</b>	<b>(19%)</b>
	Less: Cash & Equivalents <sup>(3)</sup> from assets with Project Finance Debt <sup>(3)</sup>	(17,196)	(26,438)	
	<b>Cash &amp; Equivalents<sup>(3)</sup></b> (excl. cash & equivalents from assets with Project Finance Debt <sup>(6)</sup> )	<b>61,631</b>	<b>71,427</b>	<b>(14%)</b>
<b>C</b>	<b>Net Debt<sup>(4)</sup></b>	<b>212,997</b>	<b>182,183</b>	<b>17%</b>
	<b>Adjusted Net Debt<sup>(5)</sup> (excl. Project Finance Debt)</b>	<b>16,447</b>	<b>(9,950)</b>	<b>n.m.</b>

Considerations	
<b>A</b>	<b>Impact of credit lines use too finance Working Capital</b>
<b>B</b>	<b>Includes IFRS-16 impact of €31.2m</b>
<b>C</b>	<b>Net Debt position excludes cash from current financial investments</b>

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