

PRESS RELEASE

Results of the First Half of 2019

**SACYR INCREASED ITS EBITDA TO €315 MILLION (+32%) AND
POSTED A NET PROFIT OF 80 MILLION (+11%)**

- The multinational company strengthens its concessional development strategy: 77% of EBITDA comes from low demand risk assets.
- The focus on profitability is shown in the income statement for the first half of the year with the EBITDA margin up 19%.
- The cash flow increases 44% reaching 183 million euros.
- The company's future revenue backlog rose by 2% reaching €42,642 million, 73% of which is international.
- Sacyr continues with its dividend policy; two scrip dividends have been paid during 2019, which have led to an annual return above 5%.

Madrid, July 25th, 2019. Sacyr posted an **EBITDA of €315 million in the first half of 2019, up 32%** compared to the same period last year. The **net profit stood at 80 million euros**, with an 11% **increase** with respect to that registered between January and June 2018.

This strong growth asserts the **success of the strategy** undertaken by Sacyr, which focused on **profitability, financial discipline**, consolidation and the diversification of business areas.

Sacyr's growth in 2019 is based on the good development of the business areas. The **EBITDA** of Engineering and Infrastructures grew at 70% rate, while Services was up by 26% and Concessions increased 17%.

77% of EBITDA is obtained from **concession assets that have a low demand risk**.

The **profitability of the businesses**, measured by the EBITDA margin, rose 19% with respect to the one registered a year ago **and goes from 13.2% to 15.7%**.

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Cash flow also increased to 183 million euros in the first half, 44% more than the 127 million recorded in the same period of 2018.

Turnover growth

Sacyr's turnover exceeded the 2 billion euros (2.9 billion) barrier in the first half after increasing 11%. 58% of that figure was obtained in international markets.

This double-digit growth is a result of the success in contracting registered by all business areas during the last financial years.

Income backlog

The company's future revenue backlog in the first half reached €42,642 million, 73% of which is international.

By activities, in Infrastructure, international contracts accounted for 87% of the total, 82% of Concessions, 32% of Services, and 12% in Industrial.

During first half, the company was awarded large projects in all its divisions. Among them, the renovation of a highway in Texas (United States), the construction and operation of the Los Vilos-La Serena highway and the construction of the Cordillera and Sótero del Río (Chile) hospitals, the construction and concession of the Central Railway (Uruguay) or the tram extension of Edinburgh (United Kingdom).

Financial debt

During the first semester, **the corporate debt with recourse decreased** and went from 1,138 million to 1,087 million. The total net debt of the group stood at 4,443 million euros at the end of the aforementioned period, of which more than 75% correspond to project financing, mainly on the back of the **increase in investments in the development of projects that strengthen the company's concessional profile.**

The company continued with its asset rotation strategy and sold its stake in Itínere for 202 million euros and 49% of its stake in seven Chilean assets, for 440 million during the first half of the year (including the debt).

The company has returned to a regular shareholder remuneration policy and it paid a dividend scrip of 0.051 euros per share in February. It paid the second dividend of the year in July, of 0.054 euros, so shareholders will gain 0.105 euros this year, which implies a return of over 5%.

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Change by business area

Concessions.- Sacyr Concessions posted a turnover of €445 million, up 36% compared to that of the first half of 2018.

Of the total, €238 million came from concession revenues, which grew 19% as a result of the operational growth of the assets, the start of the operation of the Tepual and Challacuta airport (Chile) operations and the improvement in highway traffic figures. The remaining 206 million (+64%) come from construction revenues, which are growing strongly due to the execution of projects in Colombia, Mexico and Uruguay.

EBITDA reached €151 million, up 17%.

The backlog of future revenue reached €27,849 million (+3%), with its international business accounting for 82% of this figure.

During the first semester, Sacyr has been awarded two important projects in Chile: the Los Vilos-La Serena highway, which contributes 864 million euros to the backlog, and the Chacalluta Airport, with a 203 million backlog. In Uruguay, a consortium led by Sacyr has been awarded the Central Railroad, which will provide an approximate future income of 2,200 million.

Engineering and Infrastructure.- The turnover of this division reached €959 million, with 19% growth compared to the same period of 2019.

EBITDA increased 70% to €104 million and the EBITDA margin improved to 10.8%, compared to 10.8% in January-June 2018.

The **infrastructure backlog** reached €6,699 million, up 8%, and represents 42 months of activity. 87% of the backlog is located outside Spain.

It is worth noting the award of relevant projects such as the construction of the Los Vilos-La Serena highway in Chile (331 million euros), the Central Railway of Uruguay (735 million), the extension of the Edinburgh Tramway (120 million), the renovation of a section of highway in Texas (102 million) or the construction of the Mediterranean Corridor of the AVE speed rail in Almeria (98 million).

Services .- The turnover of this division grew by 4%, to €550 million. EBITDA reached €55 million, 26% more compared to 2018, on the back of the contribution from all areas.

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Environment (+36%), Multiservices (+60%) and Water (+7%). The EBITDA margin grows and goes from 8.2% to 10%.

The Services backlog totaled €5,662 million, 32% of which is international. In this sense, in the first half, highway conservation contracts in Peru stand out for a total of 18 million and in Chile for 13 million euros; cleaning of terminals 1 and 2 of El Prat airport (Barcelona) for 58 million euros, cleaning of hospitals in Spain for 14 million euros, operation and maintenance of sewage treatment plants in Navarra and the water management in Biar (Alicante) by 14.6 million.

Industrial.- The revenue of the Industrial division reached €216 million (-17%) and EBITDA totaled €16 million (-11%). These figures are due to the company having completed large projects in the backlog, such as Nuevo Mundo and La Pampilla (Peru).

The Sacyr backlog totaled €2,432 million, 12% of which was international. Among the contracts awarded in the first semester, the entry of the company into the Peruvian mining sector stands out, with a contract at the Quellaveco copper mine. In addition, Sacyr has signed several contracts for the construction of renewable energies in Chile and Bolivia.

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MAIN FIGURES

CONSOLIDATED INCOME STATEMENT			
(Thousand of Euros)	1H 2019	1H 2018	% Chg 19/18
Revenue	2.009.190	1.802.996	11,4%
Other income	158.756	167.483	-5,2%
Total operating income	2.167.946	1.970.480	10,0%
External and Operating Expenses	-1.852.783	-1.731.610	7,0%
EBITDA	315.163	238.870	31,9%
Depreciation and amortisation expense	-87.285	-62.366	40,0%
Trade Provisions and non recurring items	-946	-6.154	-84,6%
NET OPERATING PROFIT	226.931	170.350	33,2%
Financial results	-138.787	-113.669	22,1%
Forex results	2.062	18.341	n.a.
Results from equity accounted subsidiaries	70.267	186.072	-62,2%
Provisions for financial investments	-1.109	-2.329	-52,4%
Change in value on financial instruments	-30.567	-138.768	-78,0%
Results from sales of non current assets	-1.608	774	n.a.
PROFIT BEFORE TAX	127.190	120.770	5,3%
Corporate Tax	-15.880	-24.182	-34,3%
RESULT FROM CONTINUING OPERATIONS	111.310	96.588	15,2%
RESULT FROM COMPANIES WITH DISCONTINUED OPERATIONS	0	0	n.a.
CONSOLIDATED RESULT	111.310	96.588	15,2%
Minorities	-30.814	-24.247	27,1%
NET ATTRIBUTABLE PROFIT	80.496	72.341	11,3%
Gross margin	15,7%	13,2%	

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