Contract for the operation and maintenance of the desalination plant and the drinking water distribution system of the Jizan industrial area.
Saudi Arabia

1Q2021 Earnings Report

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1. SIGNIFICANT EVENTS

FCC Environment grows its revenue backlog

In March, the Governing Board of the Council of Tenerife passed a resolution to award the contract for the management of the island's waste to the joint venture, of which FCC Medio Ambiente is a member at 30%. The contract is worth 397 million euros and comes with a term of 15 years, extendable for a further four years. This represents a backlog of more than 100 million euros attributable to FCC Medio Ambiente. Elsewhere, the final award of the contract for cleaning and waste collection services in various districts of the city of Barcelona remained pending at the end of the quarter. The contract envisions various highly innovative services, including a new electric waste collection truck developed in-house. All in all, the contracts effectively secured allowed to close the first quarter with a revenue backlog of 9,598.5 million euros, up 4.5% on the end of the last business year.

FCC Aqualia wins a new contract in Saudi Arabia and moves past 600 million euros in the Arabian Peninsula

FCC Aqualia, through its Saudi subsidiary company Haaisco, has been awarded the contract for the operation and maintenance of the desalination and drinking water distribution plant in the industrial area of Jizan (Jizan City for Primary and Downstream Industries), in the southwest corner of Saudi Arabia. The client is the company responsible for the supply of water and electricity in the Saudi regions of Jubail and Yanbu, whose majority shareholders are the Saudi State and Saudi Aramco.

As a result, the total value of the contracts currently managed by the integrated water cycle subsidiary in the Arabian Peninsula (Saudi Arabia, UAE, Qatar and Oman) now exceeds 600 million euros. Most of the arrangements relate to concessions and respond to the need to establish public-private partnership models. FCC Aqualia has therefore managed to increase its penetration in the region, with more than six million inhabitants now within the scope of the service.

FCC Medio Ambiente unveils its new 2050 Sustainability Strategy

In the first quarter of the year, FCC Medio Ambiente presented the core lines of its sustainability (ESG) strategy through to 2050.

Its sustainability strategy envisages the fulfilment of all 17 of the Sustainable Development Goals (SDGs) enshrined in the UN's 2030 Agenda. Along these lines, FCC Medio Ambiente is committed to reducing GHG emissions by 35% by 2030 compared to 2017, and to achieving carbon neutrality by 2050. It also plans to work alongside its clients towards achieving the EU targets for 2035 in relation to waste management, by meeting a target of ≥ 65% of waste recovered and ≤ 10% of waste dumped in landfills.

FCC completes the sale of certain infrastructure concessions and strengthens its financial structure

Last October, FCC agreed to sell its entire stake in three infrastructure concessions located in Spain, within the framework of its policy of asset rotation and selective development of projects in this segment. The agreement was signed in March, signifying the transfer of the 51% stake held in the Cedinsa road group and the 49% stake held in the Ceal 9 suburban line. The reduction in the associated debt, together with the proceeds obtained from the sale and the Group's general performance, has led to a substantial reduction in its financial indebtedness, which stood at 2,613.7 million euros at the close of the first quarter, down 6.6% on the close of the previous financial year and further strengthening the FCC Group's financial structure.

FCC Construcción wins the European PPP "Deal of the Year" award for the A465 project in Wales

The project consists of widening a total length of 17.3 kilometres along the A465 main road, which currently has a single carriageway with heavy traffic. The PFI organisation recognised the magnitude and importance of the project to be undertaken as it is needed to improve mobility and connectivity in Wales and also to reactivate the local economy.

2. EXECUTIVE SUMMARY

KEY FIGURES

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Net turnover (NT)	1,516.8	1,485.4	2.1%
Gross Operating Profit (EBITDA)	254.5	218.5	16.5%
EBITDA Margin	16.8%	14.7%	*2.1 p.p*
Net Operating Profit (EBIT)	158.2	94.5	67.4%
EBIT Margin	*10.4%*	*6.4%*	*4.1 p.p*
Income attributable to the parent company	139.0	28.1	N/A

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (%)**
Equity	3,061.4	2,908.7	5.2%
Net financial debt	2,613.7	2,797.8	-6.6%
Backlog	29,857.5	29,411.7	1.5%

◊ In the first quarter of 2021, the FCC Group increased its income to 1,516.8 million euros, up 2.1% on the same period in 2020. This performance reflects the diverse effects that the lockdown measures in response to the pandemic have had on the business areas when comparing the first quarter of 2021 with the same quarter of 2020, when the measures were rolled out in March.

◊ Gross operating profit (EBITDA) was up 16.5% to reach 254.5 million euros. This positive performance is down to an improvement in operating margins across all activities, as well as the base effect of a 20 million euro provision posted in the last business year to cover the possible negative effects of the pandemic, which was subsequently reversed. Adjusted for this effect, EBITDA for the year increased 6.7% compared to the previous year.

◊ Attributable net income reached 139 million euros, a notable improvement on last year's figure. This increase includes both operating results, due to the performance of the exchange rate differences booked –14 million euros this year compared to a negative contribution of 15.5 million euros in 2020— together with the positive impact, largely reflected in equity-accounted income, of the completion of the sale of several transport concessions agreed last year.

◊ The Group's financial debt was 6.6% lower than at the end of the previous year, mainly due to the completion of the aforementioned sale of concessions, which allowed the Group to draw less on available financing and eliminate factoring facilities. As a result, the net financial debt balance amounted to 2,613.7 million euros at the end of March.

◊ Equity totalled 3,061.4 million euros at the end of the first quarter, following a notable increase in net income.

◊ The Group's revenue backlog stood at 29,857.5 million euros at the end of March, up 1.5% on the balance at year-end 2020.

3. SUMMARY BY BUSINESS AREA

(Millions of euros)

Area	Mar 21	Mar 20	Chg. (%)	% of 2021 total	% of 2020 total
REVENUE BY BUSINESS AREA					
Environment	749.9	724.0	3.6%	49.4%	48.7%
Water	271.0	285.8	-5.2%	17.9%	19.2%
Construction	356.5	367.8	-3.1%	23.5%	24.8%
Cement	105.0	91.0	15.4%	6.9%	6.1%
Corporate serv. and others	34.4	16.8	104.8%	2.3%	1.1%
Total	**1,516.8**	**1,485.4**	**2.1%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	909.5	865.0	5.1%	60.0%	58.2%
United Kingdom	177.8	177.9	-0.1%	11.7%	12.0%
Rest of Europe and other	165.3	161.7	2.2%	10.9%	10.9%
Middle East & Africa	97.6	156.5	-37.6%	6.4%	10.5%
Latin America and USA	88.4	51.3	72.3%	5.8%	3.5%
Czech Republic	78.2	73.0	7.1%	5.2%	4.9%
Total	**1,516.8**	**1,485.4**	**2.1%**	**100.0%**	**100.0%**
EBITDA*					
Environment	116.9	113.8	2.7%	45.9%	52.1%
Water	61.6	62.2	-1.0%	24.2%	28.5%
Construction	21.5	20.7	3.9%	8.4%	9.5%
Cement	20.4	9.6	112.5%	8.0%	4.4%
Corporate serv. and others	34.1	12.2	179.5%	13.4%	5.6%
Total	**254.5**	**218.5**	**16.5%**	**100.0%**	**100.0%**
OPERATING PROFIT/(LOSS)					
Environment	61.0	52.9	15.3%	38.6%	56.0%
Water	32.3	34.2	-5.6%	20.4%	36.2%
Construction	14.2	12.2	16.4%	9.0%	12.9%
Cement	12.6	1.3	N/A	8.0%	1.4%
Corporate serv. and others	38.1	(6.1)	N/A	24.1%	-6.5%
Total	**158.2**	**94.5**	**67.4%**	**100.0%**	**100.0%**

Area	Mar 21	Dec 20	Chg. (%)	% of 2021 total	% of 2020 total
NET FINANCIAL DEBT*					
Corporate					
With recourse	(299.7)	101.6	N/A	-11.5%	3.6%
Without recourse	14.8	14.7	0.7%	0.6%	0.5%
Areas					
Environment	1,401.6	1,330.2	5.4%	53.6%	47.5%
Water	1,336.2	1,177.6	13.5%	51.1%	42.1%
Cement	160.7	173.7	-7.5%	6.1%	6.2%
Total	**2,613.7**	**2,797.8**	**-6.6%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	9,598.5	9,184.3	4.5%	32.1%	31.2%
Water	15,148.0	15,025.9	0.8%	50.7%	51.1%
Construction	5,076.7	5,155.8	-1.5%	17.0%	17.5%
Real Estate	34.3	45.7	-24.9%	0.1%	0.2%
Total	**29,857.5**	**29,411.7**	**1.5%**	**100.0%**	**100.0%**

** See page 21 for a definition of the calculation in accordance with ESMA regulations (2015/1415en))*

4. INCOME STATEMENT

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Net turnover (NT)	**1,516.8**	**1,485.4**	**2.1%**
Gross Operating Profit (EBITDA)	**254.5**	**218.5**	**16.5%**
EBITDA Margin	***16.8%***	***14.7%***	***2.1 p.p***
Provision for amortisation of fixed and non-current assets	(109.1)	(127.2)	-14.2%
Other operating income	12.8	3.3	N/A
Net Operating Profit (EBIT)	**158.2**	**94.5**	**67.4%**
EBIT margin	***10.4%***	***6.4%***	***4.1 p.p***
Financial income	(19.7)	(31.9)	-38.2%
Other financial results	14.0	(17.1)	-181.9%
P/L of companies accounted for by the equity method	42.0	7.4	N/A
Profit/(loss) before tax from continuing activities	**194.5**	**52.9**	**N/A**
Company tax on profits	(32.9)	(11.4)	188.6%
Income from continuing operations	**161.6**	**41.6**	**N/A**
Net Income	**161.6**	**41.6**	**N/A**
Non-controlling interests	(22.6)	(13.5)	67.4%
Income attributable to the parent company	**139.0**	**28.1**	**N/A**

4.1 Net Revenue

Consolidated revenues grew to 1,516.8 million euros in the first three months of the year, up 2.1% on the previous year. The performance of all activities reflects, to varying degrees, the economic impact of the measures rolled out by governments around the world since mid-March 2020 in the wake of the COVID-19 pandemic. However, it is worth highlighting the improvement seen in those business areas that in relative terms were less affected by the mobility restrictions, notably Environment and Cement.

By business area, Environment reported an increase of 3.6%, following the entry into effect of new waste treatment and street cleaning contracts in Spain, waste collection contracts in the US and agreements governing all business activities in Central Europe.

Revenues at the Water unit were down by 5.2%, due to the lower contribution made by the Technology and Networks business as a result of the slower pace of performance of construction projects in the international sphere. Meanwhile, concession and asset management activity saw no appreciable change.

In Construction, revenues were down 3.1%, as progress was behind schedule on important international projects, especially in the Middle East, while Spain reported an ongoing increase in the level of activity due to a more balanced flow between the commencement, performance and completion of contracts.

In the Cement area, revenues were up 15.4%, spurred by higher sales volumes in the local markets of Spain and Tunisia, plus higher levels of export activity.

Revenue breakdown by geographical area			
(Millions of euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Spain	909.5	865.0	5.1%
United Kingdom	177.8	177.9	-0.1%
Rest of Europe and other	165.3	161.7	2.2%
Middle East & Africa	97.6	156.5	-37.6%
Latin America and USA	88.4	51.3	72.3%
Czech Republic	78.2	73.0	7.1%
Total	**1,516.8**	**1,485.4**	**2.1%**

By business area across all of Spain, revenues increased their contribution by 5.1% to 909.5 million euros. Environment reported growth of 4.4% following an increase in waste treatment activity and improved levels of business in road cleaning and winter care. Water reported a dip of 1.6%, due to a slight reduction in billed volumes as a result of the quieter activity seen for some time in the non-residential clients segment, together with the effect of a change in the way the water treatment fee is recognised, billed and collected on behalf of the public administrations. Construction was up 2.1%, where the development of ongoing projects was higher than in the first quarter of last year. The same holds true for the Cement area, which was affected in the same period last year by the commencement of the lockdown measures, while this year has seen an upturn in activity, leading to a 12% increase in revenues. On a final note, it is worth mentioning that the Concessions area (included under the heading of *Corporate Services and Other*, following completion of the sale of some of its most significant concessions at the end of the period), was affected by its increased exposure to the mobility restrictions currently in place and reported a 13.8% decline in revenues.

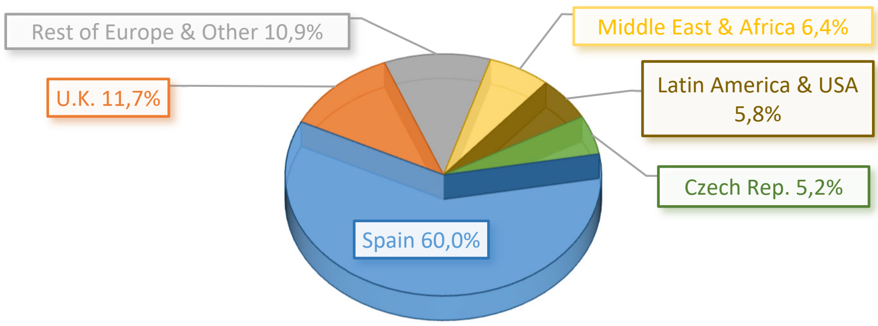
EU-wide, there was a moderate increase of 2.2% in Rest of Europe and Other to 165.3 million euros, due to the higher contribution made by Construction of contracts under development in Belgium, the Netherlands and Norway, which offset the termination of other contracts (Ireland), together with a resolutely stable performance in the Central European countries in which both the Environment and Water areas operate. The Czech Republic reported an increase of 7.1%, with improved levels of activity at Environment and very stable operating conditions at Water.

In the United Kingdom, revenues were virtually unchanged at 177.8 million euros, reflecting the higher activity due to the start-up of a contract at Construction and the lower contribution made by Environment.

The Middle East and Africa area witnessed a 37.6% decline in revenues to 97.6 million euros, mainly due to the lower contribution of contracts that have now been completed or are nearing completion at the Construction area, and to a lesser extent at Water, especially in Saudi Arabia and Egypt.

Revenues in Latin America and the United States grew by 72.3% to 88.4 million euros, largely due to a faster pace of project performance at both Construction and Water. Highlights included the increased activity in Mexico and Colombia, the latter following the acquisitions of downstream distribution concession assets last year. In the United States, revenues —concentrated in the Environment area— increased significantly following the start-up of a new contract in Nebraska and another in Florida for municipal waste collection and green space services.

% revenue by geographical area



4.2 Gross Operating Profit (EBITDA)

Gross Operating Profit for the year was 254.5 million euros, up 16.5% on the previous year. This increase is down to an improvement in the operating margin across most activities, and also the provision of 20 million euros assigned to *Corporate Services and Other* last year to cover the possible negative impact of the pandemic. Stripping out this last factor, EBITDA would have gained 6.7%.

By business area, the most noteworthy developments have been:

Environment reported 116.9 million euros, an increase similar to that generated in revenues and focused on waste collection and other related municipal services, revealing an overall margin roughly on par with the figure achieved in the previous year.

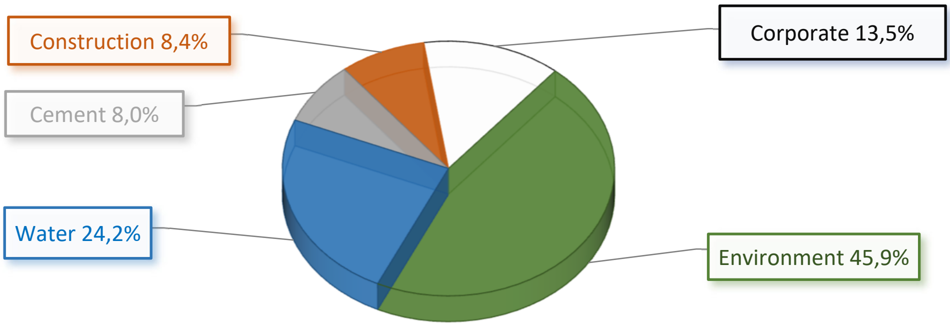
The Water area reported 61.6 million euros, similar to the figure generated a year earlier, supported by an increased contribution from concessions and international services, following to the incorporation of new contracts which offset the lower contribution made by the Technology and Networks segments. Thus, the EBITDA margin outpaced its performance in the previous period to reach 22.7% in the first quarter of the year.

Elsewhere, the Construction area posted 21.5 million euros, up 3.9% on the first quarter of 2020, with all projects under development progressing on schedule.

Cement reported growth to reach 20.4 million euros, compared to 9.6 million euros in the previous year, reflecting both the increase in the volume of demand recorded in local and export markets and also the income of 3 million euros obtained from the sale of CO_2 allowances, which had contributed nothing in 2020. This combination led to a significant increase in the gross operating margin to 19.4% in the period.

Note that the Corporate Services and Others heading includes Concessions activity, which was attached to the Cedinsa subgroup on a consolidated basis until 31 March and which reported quieter levels of traffic than in the first quarter of 2020 due to the mobility restrictions mentioned previously.

% EBITDA by Business Area



The various utilities areas, Environment and Water (together with Concessions) continued to make a considerable contribution to operating profit to reach 78.8% for the period, compared to a 21.2% contribution from those areas exposed to demand for the construction of infrastructure, buildings and other activities.

4.3 Net Operating Profit (EBIT)

Net operating profit came to 158.2 million euros, showing a notable increase of 67.4% on the previous year. The increase reflects both the effect of gross operating profit and two other factors; firstly, the lower depreciation charge for certain transport concession assets (Cedinsa Group) assigned to the operating segment, which, during this first quarter and through to their sale at the end of the quarter, remained classified as held for sale; and secondly a contribution of 9.6 million euros under the Other operating results heading, following the effective completion of this sale recorded at the end of March.

4.4 Earnings before Taxes (EBT) from continuing operations

Profit before tax from continuing operations totalled 194.5 million euros, showing a significant increase on the 52.9 million euros reported in 2020. This was due to the fact that the strong performance of operating activities was accompanied by the positive impact of exchange rate differences in 2021, in contrast to the negative effect seen a year earlier, and also because of the significant increase in earnings at companies accounted for using the equity method and lower financial expenses, which account for a large portion of the proceeds obtained from the aforementioned sale of certain investees attached to the Concessions segment.
Thus, the performance was as follows for the various components:

4.4.1 Financial income

The net financial result was -19.7 million euros, compared to -31.9 million euros in the previous year. The decline was largely due to the gain of 12 million euros on the valuation of derivatives linked to the project financing arrangements of the Cedinsa subgroup in the Concessions segment, following is effective sale on 31 March.

4.4.2 Other financial results

This heading, which has no impact on cash flow, amounted to 14 million euros in the first quarter, compared to -17.1 million euros last year. The difference is mainly due to exchange rate fluctuations affecting certain currencies.

4.4.3 Profit/(loss) of equity-accounted investees

Earnings contributed by investee companies totalled 42 million euros, compared to 7.4 million euros the previous year, due to the effect discussed previously of successfully completing the agreement reached last year to sell the Ceal 9 concession under joint management (contribution of 23.4 million euros), and also the increase in the contribution made by all the companies owned by the various business areas.

4.5 Income attributable to the parent company

Attributable net income for the first quarter was 139 million euros, a substantial improvement on the 28.1 million reported a year earlier. This performance is down to the increase in pre-tax profit described above. A corporation tax expense of 32.9 million euros was also recorded, in line with the pre-tax profit obtained, together with profit attributable to non-controlling interests of 22.6 million euros, compared to 13.5 million euros in the previous year, reflecting the increase in the period in the Group's consolidated profit attributable to those interests.

4.6 Profit and loss statement figures on a pro rata basis

The most significant figures in the income statement, calculated on the basis of the percentage of effective shareholding in each of the subsidiaries, joint ventures and associates, are as follows.

	Mar 21	Mar 20	Chg. (%)
Net turnover (NT)	**1,488.3**	**1,445.5**	**3.0%**
Gross Operating Profit (EBITDA)	**258.0**	**204.5**	**26.2%**
EBITDA Margin	*17.3%*	*14.1%*	*3.2 p.p*
Net Operating Profit (EBIT)	**167.2**	**93.1**	**79.6%**
EBIT margin	*11.2%*	*6.4%*	*4.8 p.p*
Income attributable to the parent company	**139.0**	**28.1**	**N/A**

5. BALANCE SHEET

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (€M)**
Intangible fixed and non-current assets	2,501.1	2,437.9	63.2
fixed and non-current assets/Property, Plant and Equipment	2,822.6	2,810.2	12.4
Equity-accounted affiliates	752.2	722.8	29.4
Non-current financial assets	598.8	580.9	17.9
Deferred tax assets and other non-current assets	574.0	578.7	(4.7)
Non-current assets	**7,248.7**	**7,130.4**	**118.3**
Non-current assets held for sale	4.8	1,392.3	(1,387.5)
Inventory	756.8	765.6	(8.8)
Trade and other receivables	2,195.6	2,095.6	100.0
Other current financial assets	241.8	228.7	13.1
Cash and cash equivalents	1,290.7	1,222.1	68.6
Current assets	**4,489.8**	**5,704.2**	**(1,214.4)**
TOTAL ASSETS	**11,738.6**	**12,834.6**	**(1,096.0)**
Equity attributable to shareholders of the parent company	2,539.9	2,288.3	251.6
Non-controlling interests	521.5	620.4	(98.9)
Equity	**3,061.4**	**2,908.7**	**152.7**
Grants	193.4	193.0	0.4
Non-current provisions	1,120.3	1,064.4	55.9
Long-term financial debt	3,529.8	3,543.3	(13.5)
Other non-current financial liabilities	417.6	434.0	(16.4)
Deferred tax liabilities and other non-current liabilities	309.2	296.7	12.5
Non-current liabilities	**5,570.4**	**5,531.3**	**39.1**
Liabilities relating to non-current assets held for sale	0.0	1,051.3	(1,051.3)
Current provisions	190.0	195.2	(5.2)
Short-term financial debt	616.4	705.2	(88.8)
Other current financial liabilities	175.7	169.2	6.5
Trade and other payables	2,124.6	2,273.7	(149.1)
Current liabilities	**3,106.7**	**4,394.6**	**(1,287.9)**
TOTAL LIABILITIES	**11,738.6**	**12,834.6**	**(1,096.0)**

5.1 Investments accounted for using the equity method

The heading of investments accounted for using the equity method amounted to 752.2 million euros at the end of the first quarter of the year, with the following breakdown of investments in equity:

1) 284.9 million euros for the 36.9% stake in Realia.
2) 73.1 million euros for the stakes held in various transport infrastructure and equipment concessions.
3) 102 million euros for the stakes held in companies attached to the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
4) A total of 36.6 million euros for stakes held in companies in the Water area, largely concessionary companies that manage services abroad (North Africa and Spain).
5) A total of 33.6 million euros from the subsidiaries of the parent company in the Cement area.

This epigraph also includes a further 222 million euros for the remaining investments in own funds for other participations together with loans granted to subsidiaries.

5.2 Assets held for sale

This heading includes a total of just 4.8 million euros in current assets following the sale in this quarter of certain infrastructure concessions located in Spain, as already agreed upon in the third quarter of 2020. This factor explains the substantial reduction in the balance of this heading and the reduction in the consolidated balance sheet when compared with the end of last year.

5.3 Cash and cash equivalents

Cash and cash equivalents amounted to 1,290.7 million euros at the end of the first quarter. The cash balance showed an increase on the end of the previous year, distributed as follows:

1) In the perimeter with recourse, cash and equivalents totalled 592.6 million euros.

2) In the perimeter without recourse, cash and equivalents amounted to 698.1 million euros.

5.4 Equity

Equity at the end of the first quarter came to 3,061.4 million euros, compared to 2,908.7 million euros at the end of 2020. This 5.2% increase was mainly due to the contribution of 139 million euros in net attributable profit in the period.

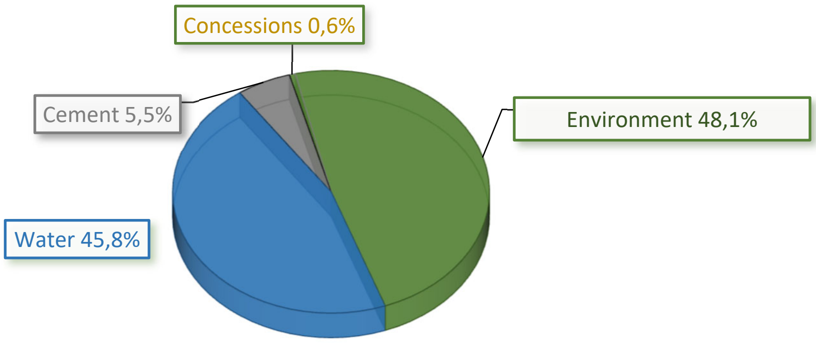
5.5 Financial debt

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (€M)**
Bank borrowings	727.9	820.0	(92.1)
Debt instruments and other loans	3,223.7	3,230.3	(6.6)
Payables due to financial leases	48.5	50.2	(1.7)
Other financial liabilities	146.1	148.0	(1.9)
Gross Financial Debt	**4,146.2**	**4,248.5**	**(102.3)**
Treasury and other current financial assets	(1,532.5)	(1,450.7)	(81.8)
Net Financial Debt	**2,613.7**	**2,797.8**	**(184.1)**
Net financial debt with recourse	*(299.7)*	*101.6*	*(401.3)*
Net financial debt without recourse	*2,913.4*	*2,696.2*	*217.2*

With regard to gross financial debt, 14.9% has short-term maturity, equivalent to 616.4 million euros. 434.4 million of these relates to marketable securities, largely commercial paper issued on the Irish Stock Exchange by the Group's parent company and the Environment area. Another 138.2 million euros is due to various credit facilities in place with banks, including both bilateral corporate financing and non-recourse financing, and a further 43.8 million euros in financial debt with third parties.

All of the net financial debt is without recourse and is individually assigned to the business areas concerned, for a combined total of 2,913.4 million euros at the end of this first quarter. The parent company achieved a positive cash position of 299.7 million euros. The balance of net financial indebtedness was down 6.6% in the period, thanks to the positive performance of the Group's cash-generating operations together with the effect of a further reduction of 95.5 million euros in non-recourse credit facilities at the Water area, resulting in a balance of just 16.3 million euros at 31 March for the consolidated Group as a whole.

Breakdown of Net Financial Debt without recourse by Business Area



Net financial debt without recourse to the Group's parent company is structured as follows:

(i) The Water area accounts for 1,336.2 million euros, part of which relates to the financing of corporate bonds at the parent company, a further 191.7 million euros corresponds to the business in the Czech Republic, and the rest to various integral water cycle concessions; (ii) the Cement area accounts for 160.7 million euros; (iii) the Environment area accounts for 1,401.6 million euros, most of which corresponds to long-term bonds issued at the end of 2019 by the area's parent company, a further 195.5 million euros relates to the business in the United Kingdom, while the rest largely relates to project financing for three waste treatment and recycling plants in Spain; (iv) 14.8 million euros at the concessions area, following the exit of 698.5 million euros in connection with the project-related debt of the Cedinsa concessionaire group.

5.6 Other current and non-current financial liabilities

The heading of other current and non-current financial liabilities totalled 593.3 million euros at the end of the first quarter. The balance mainly includes the item suppliers of fixed and non-current assets for operating leases, amounting to 396.3 million euros. It also includes other liabilities that are not financial liabilities, such as those associated with hedging derivatives, suppliers of fixed and non-current assets, guarantees and deposits received.

6. ANALYSIS BY BUSINESS AREA

6.1. Environment

The Environment area contributed 45.9% of the Group's EBITDA in the first quarter of the year. 79.8% of its activity is focussed on essential waste collection, processing and disposal of wastes, as well as street cleaning. The remaining 20.2% corresponds to other types of urban environmental activities, such as the protection of green areas and sewage systems.

In Spain, the management of municipal wastes and street cleaning are the most important activities, while in the United Kingdom the focus is on the processing, retrieval and disposal of municipal wastes. In central Europe, mainly Austria and the Czech Republic, FCC is present right across the waste management chain (collection, processing and disposal). FCC's activities in the USA include both the collection and comprehensive retrieval of municipal wastes.

6.1.1. Earnings

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Turnover	749.9	724.0	3.6%
Waste collection and street cleaning	*366.5*	*353.2*	*3.8%*
Waste processing	*232.0*	*212.4*	*9.2%*
Other services	*151.4*	*158.4*	*-4.4%*
EBITDA	116.9	113.8	2.7%
EBITDA margin	15.6%	15.7%	*-0.1 p.p*
EBIT	61.0	52.9	15.3%
EBIT margin	8.1%	7.3%	*0.8 p.p*

Revenues at the Environment area were up 3.6% to reach 749.9 million euros in the first quarter of the year. Waste collection and street cleaning activity increased by 3.8% to 366.5 million euros, with an improved contribution from the United States following the entry into operation of new contracts and increased activity in waste treatment and street cleaning services in Spain, the latter due to adverse weather conditions in January.

Waste treatment activity was up 9.2% to 232 million euros, largely due to the increase in activity in Central Europe plus a good showing from both Spain and Portugal.

Breakdown of revenue by geographical area			
(Millions of euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Spain	442.3	423.7	4.4%
United Kingdom	151.6	164.6	-7.9%
Central Europe	122.5	114.2	7.3%
US and others	33.5	21.5	55.8%
Total	**749.9**	**724.0**	**3.6%**

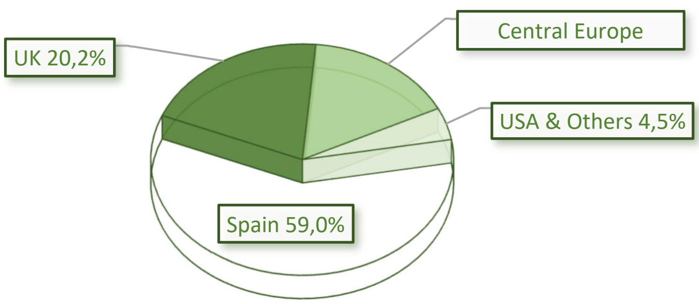
By geographical area, revenues in Spain were up 4.4% compared to the previous year to reach 442.3 million euros, due to an increased contribution from the Campello treatment plant, plus the contribution made by new contracts. Further highlights include the increased activity in green areas, as is the case in Madrid, following the special winter plan launched by the City Council in response to the heavy snowfalls recorded in January this year.

In the United Kingdom, turnover was down 7.9% to 151.6 million euros, largely due to the sale of waste collection machinery valued at 8.4 million euros to a municipal client in the first quarter of 2020.

In Central Europe, revenues increased by 7.3% to reach 122.5 million euros, due to increased activity in countries such as Austria, the Czech Republic and especially Poland.

Last but not least, turnover in the United States and other markets was up 55.8% to 33.5 million euros, due to the contribution made by the new contracts secured in Omaha, Nebraska and Volusia, Florida, as well as the increase in industrial recycling activity in Portugal.

Breakdown of revenue by geographical area



Gross operating profit (EBITDA) gained 2.7% to reach 116.9 million, due to the revenue performance described above, though countered to some degree by lower returns on revaluation in waste treatment activity.

Net operating profit (EBIT) was up 15.3% on the first quarter of the previous year to 61 million euros, due to the performance of the various components of EBITDA mentioned previously.

Breakdown of backlog by geographical area

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (%)**
Spain	4,810.9	4,872.2	-1.3%
International	4,787.6	4,312.1	11.0%
Total	**9,598.5**	**9,184.3**	**4.5%**

At the end of the first quarter, the area's backlog increased 4.5% to 9,598.5 million euros. In Spain, it posted a gentle 1.3% decline to reach 4,810.9 million euros, where a considerable number of contracts still remain in the extension period, although we have already seen an increase in tendering activity. In the international realm, it increased by an impressive 11% to 4,787.6 million euros, following the new contracts secured in the United Kingdom.

6.1.2. Financial Debt

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (€M)**
Net Financial Debt	1,401.6	1,330.2	71.4

Most of the debt corresponds to the issuance of two green bonds worth 1,100 million euros. A further 195.5 million euros is in place to finance business in the United Kingdom, while the rest is linked to the financing of a project for three waste treatment and recycling plants in Spain.

6.2. End-to-End Water Management

The Water area contributed 24.2% of FCC Group EBITDA in the period. 88.8% of its activity is focused on public service concession management related to the end-to-end water cycle (collection, treatment, storage and distribution) and the operation of different types of water infrastructures; the remaining 11.2% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, related to a great extent to the development of new concessions and ancillary works for operations.

In Spain the area serves over 13 million inhabitants in more than 850 municipalities. In Central Europe, it serves 1.3 million users, mainly in the Czech Republic, while in the rest of the continent it is present in Italy, Portugal and France. In Latin America, the Middle East and Africa it is present through the design, equipping and operation of processing plants. All in all, the Water area provides supply and/or sanitation services to more than 29 million inhabitants.

6.2.1 Earnings

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Turnover	271.0	285.8	-5.2%
Concessions and services	*240.6*	*243.2*	-1.1%
Technology and networks	*30.4*	*42.6*	-28.6%
EBITDA	61.6	62.2	-1.0%
EBITDA Margin	22.7%	21.8%	*1.0 p.p*
EBIT	32.3	34.2	-5.6%
EBIT margin	11.9%	12.0%	*0.0 p.p*

Revenues were down 5.2% on the previous quarter to reach 271 million euros. The concessions and services activity was down 1.1% to 240.6 million euros, due to lower revenues in Spain. Meanwhile, activity at Technology and Networks dropped by 28.6%, due to the slower pace of performance on construction projects in the international realm, which could only be partially offset by the growth of this activity in Spain.

Breakdown of revenue by geographical area

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Spain	184.2	187.2	-1.6%
Middle East, Africa and Others	27.3	45.0	-39.3%
Central Europe	25.8	25.7	0.4%
Rest of Europe (France, Portugal and Italy)	18.9	17.1	10.5%
Latin America	14.8	10.8	37.0%
Total	**271.0**	**285.8**	**-5.2%**

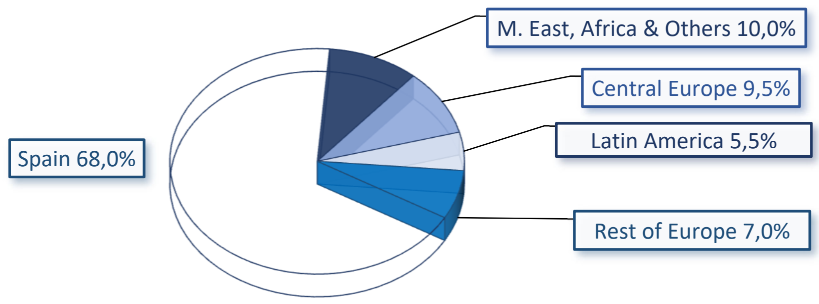
By geographic area, revenues in Spain amounted to 184.2 million euros, down 1.6% year on year, following the reduction in the volume of non-domestic consumption, mainly in tourist areas, as the impact of the COVID-19 pandemic continues throughout 2021, while having only a very minor effect in the same period of the previous year. Further factors affecting revenues included the base effect of the change in the accounting treatment of the water treatment charge in Andalusia, which was deducted from revenues from June 2020 onward.
On the international front, the Middle East, Africa and Others was the main contributor to the decline in revenues at the division, falling 39.3% to 27.3 million euros, largely due to the slowdown in construction of a wastewater treatment plant in Egypt and similarly slow progress at other work sites in Saudi Arabia.

Central Europe reported similar revenues, at just 0.4% higher with 25.8 million euros, due to the rates review at the integral cycle business in the Czech Republic, which countered the drop in non-domestic consumption caused by the health crisis.

In the Rest of Europe, revenues increased by 10.5% to 18.9 million euros, due to higher tariffs and increased infrastructure activity at the Caltanisetta concession in Italy.

In Latin America, turnover was up 37% to 14.8 million euros on the back of increased concession activity in Colombia and Mexico.

Breakdown of revenue by geographical area



EBITDA remained almost unchanged at 61.6 million euros, with the incorporation of new contracts in concessions and services offsetting the aforementioned reduction in volumes. This, together with the lower weight of Technology and Networks, enabled net operating income, at 22.7%, to improve compared to the same period in 2020.

Net operating profit (EBIT) was down 5.6% on the first quarter of the previous year to 32.3 million euros, due to the performance of gross operating profit, as discussed previously.

Breakdown of backlog by geographical area

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (%)**
Spain	7,215.7	7,224.7	-0.1%
International	7,932.3	7,801.2	1.7%
Total	**15,148.0**	**15,025.9**	**0.8%**

The backlog at the end of March remained at similar levels to December of last year, at 15,148 million euros, with new contracts in the international realm, mainly in Mexico, Colombia and Saudi Arabia, offsetting more stagnant levels of business in Spain due to low tendering activity.

6.2.2. Financial Debt

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (€M)**
Net Financial Debt	1,336.2	1,177.6	158.6

Net financial debt, entirely without recourse to the Group's parent company, was up 158.6 million euros on December of last year to reach 1,336.2 million euros. Most of the debt balance relates to long-term bonds issued by the Area's parent company, with a gross balance of 1,346.7 million euros. The increase here includes a 95.5 million write-down of loans and receivables to 11.7 million euros at the end of the period.

6.3. Construction

The Construction area accounted for 8.4% of the FCC Group's EBITDA in the first quarter of the year. Activities were focused on the design and construction of large civil engineering, industrial and building works. Special mention should go to participation in major works like railways, tunnels, bridges and football stadiums that constituted a major part of the activity.

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Turnover	356.5	367.8	-3.1%
EBITDA	21.5	20.7	3.9%
EBITDA Margin	*6.0%*	*5.6%*	*0.4 p.p*
EBIT	14.2	12.2	16.4%
EBIT margin	*4.0%*	*3.3%*	*0.7 p.p*

The division's revenues dropped 3.1% to 356.5 million euros, due to the slower pace of execution on certain international projects, mainly in the Middle East. This negative performance was partially offset by the higher volume of activity carried out under contracts won and in progress in Spain and especially in the rest of Europe.

Breakdown of revenue by geographical area			
(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Spain	186.9	183.0	2.1%
Rest of Europe and other	71.1	64.6	10.1%
Middle East and Africa	50.0	98.0	-49.0%
Latin America and USA	48.5	22.2	118.5%
Total	**356.5**	**367.8**	**-3.1%**

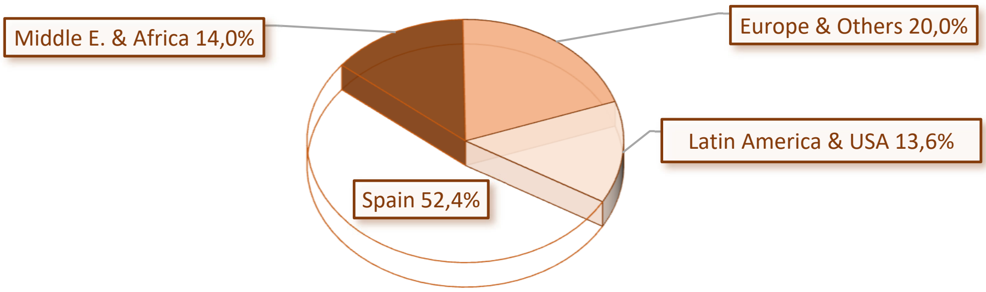
By geographical area, in Spain turnover climbed 2.1% to reach 186.9 million euros, due to the healthy pace of project development, the most significant being the remodelling of the Santiago Bernabéu football stadium, as well as other contracts recently awarded.

Meanwhile, in Rest of Europe and other markets, turnover was up 10.1% on the same period of the previous year to reach 71.1 million euros, thanks to the uptick in activity reported in new projects initiated in European countries, with notable examples including the design work for a new hospital in the United Kingdom, the A-6 in Norway, the A-465 in Wales, and the rapid progress made in building the Haren prison complex in Belgium, all of which managed to offset the lower contribution resulting from completion of the University of Dublin in Ireland.

In the Middle East and Africa revenues were down 49% to 50 million euros, mainly due to the lower activity reported in the construction of the Riyadh metro in Saudi Arabia as the project nears completion.

In Latin America and the United States, revenues grew to 48.5 million euros, largely due to the increased contribution made by ongoing projects in several countries, including Mexico, and the commencement of a road project in Chile, which offset more muted activity in other countries.

Breakdown of revenue by geographical area



Gross operating earnings were up 3.9% to 21.5 million euros. This performance is a product of the increased contribution made by the projects currently in progress, which remain on track. Operating income therefore stood at 6%, despite quieter levels of activity.

Net operating profit totalled 14.2 million euros, compared to 12.2 million euros for the previous year, thanks to the performance of gross operating earnings, as mentioned previously.

Breakdown of backlog by geographical area

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (%)**
Spain	1,699.8	1,628.4	4.4%
International	3,376.9	3,527.4	-4.3%
Total	**5,076.7**	**5,155.8**	**-1.5%**

The area's revenue backlog was down 1.5% at the end of March compared to the same figure at December, to reach 5,076.7 million euros. In Spain, it gained 4.4% to 1,699.8 million euros, mainly due to a slight upturn in public procurement against a backdrop of persistently low tendering activity. In the international realm, the backlog contracted by 4.3%, due to the progress made on projects that are now nearing completion, such as the Riyadh metro, which have yet to be offset by new contracts.

Breakdown of backlog by activity segment

(Millions of Euros)	**Mar 21**	**Dec 20**	**Chg. (%)**
Civil engineering works	4,026.7	4,121.5	-2.3%
Building	664.8	695.0	-4.3%
Industrial Projects	385.2	339.3	13.5%
Total	**5,076.7**	**5,155.8**	**-1.5%**

By type of activity, civil engineering works in the backlog accounted for 79.3% of the total, although this particular activity was down 2.3% due to the advanced progress made on projects in the international area that have yet to be offset by new contracts, coupled with quieter levels of public tendering activity in Spain. Building activity was down 4.3%, mainly due to the advanced degree of progress on the Haren prison complex in Belgium. Highlights in the period included the 13.5% uptick in industrial activity to reach 385.2 million euros.

6.4. Cement

The Cement area accounted for 8% of the FCC Group's EBITDA in the business year. This activity was undertaken by the CPV Group, which focusses on the manufacturing of cement and by-products, with seven main production centres in Spain and one in Tunisia, in addition to a minority stake of 44.6% in Giant Cement, which operates a number of factories on the east coast of the United States.

6.4.1. Earnings

(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Turnover	105.0	91.0	15.4%
Cement	*94.0*	*82.1*	*14.5%*
Other	*11.1*	*8.9*	*23.9%*
EBITDA	20.4	9.6	112.5%
EBITDA Margin	*19.4%*	*10.5%*	*8.9 p.p*
EBIT	12.6	1.3	*N/A*
EBIT margin	*12.0%*	*1.4%*	*10.6 p.p*

The area's revenues gained 15.4% to 105 million euros compared to March of last year, due to an increase in volumes invoiced in the local markets of Spain and Tunisia, as well as an increase in exports from both markets.

Breakdown of revenue by geographical area

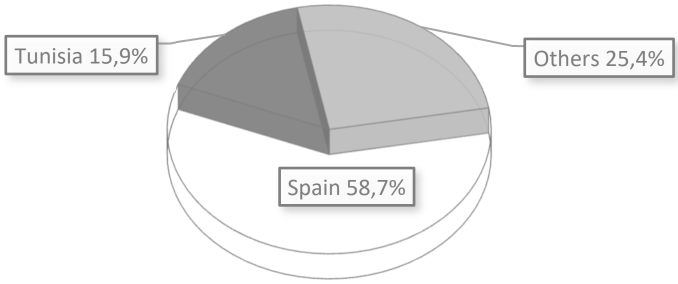
(Millions of Euros)	**Mar 21**	**Mar 20**	**Chg. (%)**
Spain	61.6	55.0	12.0%
Tunisia	16.7	13.2	26.7%
Other (exports)	26.7	22.8	16.9%
Total	**105.0**	**91.0**	**15.4%**

By geographical area, revenues in Spain climbed 12% to 61.6 million euros, following a significant increase in invoiced volumes further supported by price stability, as a result of the steady recovery and reactivation of activity accumulated in previous periods.

In the local Tunisian market, revenues were up 26.7% to 16.7 million euros, where, as in the Spanish market, there was a significant increase in business volume supported by an increase in prices, despite the depreciation of the Tunisian dinar in the first quarter of the year compared to the same quarter of the previous year (-4.6%).

Export revenues increased by 16.9% to 26.7 million euros, following an increase in shipments made from Spain —mainly to England, Denmark, the Netherlands— and from Tunisia, due to the opening of the market with Libya.

Breakdown of revenue by geographical area



Meanwhile, gross operating profit rose to 20.4 million euros due to the aforementioned increase in revenues, despite rising fuel prices. Sales of CO_2 emissions generated 3 million euros in the period, with no sales in the same period of the previous year, bringing the operating margin to 19.4%.

Net operating profit stood at 12.6 million euros, due to the performance of gross operating profit as mentioned previously.

6.4.2. Financial Debt

(Millions of euros)	**Mar 21**	**Dec 20**	**Chg. (€M)**
Net financial debt	160.7	173.7	(13.0)

Net financial debt, entirely without recourse to the Group's parent company, amounted to 160.7 million euros, 13 million euros less than in December of last year. The main item within this debt is a syndicated loan for a gross amount of 115.5 million euros.

7. SHARE INFORMATION

7.1. Stock market performance

	Jan – Mar 2021	Jan – Mar 2020
Closing price (€)	10.06	7.42
Change in the period	*14.3%*	*-32.1%*
High (€)	10.24	11.96
Low (€)	8.71	7.17
Average daily trading (no. of shares)	64,709	114,664
Average daily trading (million euro)	0.6	1.0
Capitalisation at end of period (million euro)	4,116	2,911
No. of shares circulating at closure	409,106,618	392,264,826

7.2. Dividends

No dividend payment was made during the first quarter of 2021.

7.3. Treasury stock

At 31 March 2021, the FCC Group owned, directly and indirectly, a total of 1,544,773 shares of FCC S.A. (0.378% of the company's capital stock).

Explanatory note

EBITDA

We define EBITDA as earnings from continuing operations before tax, earnings of companies accounted for using the equity method, financial result, depreciation and amortisation charges, impairment, gains or losses on disposals of non-current assets, grants, net changes in provisions and other non-recurring revenues and expenses.

BACKLOG

The FCC Group uses the backlog as an additional accounting measure in certain areas of our businesses. We calculate the backlog for our Environmental Services, Water and Construction areas because these businesses are characterised by medium and long-term contracts. Because of its typically short-term purchase cycle, we do not calculate backlog for our Cement business area.

As at any given date, the backlog reflects pending production, that is, amounts under contracts or client orders, net of taxes on production, less any amounts under those contracts or orders that have already been recognised as revenue. We value pending production according to the expected number of units at current prices as at the date of calculation. The backlog includes only those amounts to which clients are bound by virtue of a signed contract or firm order.

In the Environmental Services area, we recognise the backlog for our waste management contracts only when the relevant contract grants us exclusivity in the geographical area where the plant, landfill or other facility is located.

In our Water business area, we calculate initial backlog on the basis of the same long-term volume estimates that serve as the basis for our contracts with clients and for the tariffs set in those contracts.

In our Construction business area, we recognise the backlog only when we have a signed contract with, or a firm order from, the end client.

Once we have included a contract in our backlog, the value of pending production under that contract remains in backlog until fulfilled or cancelled. However, we do adjust the values of orders in the backlog as needed to reflect any price or schedule changes that may be agreed with the client. For example, after the date of calculation, a price may increase or decrease as a result of changes in contractual production due to additional works to be performed. Due to a number of possible factors, we could fail to realise as revenue part or all of our calculated backlog with regard to a

given contract or order. Our backlog is subject to adjustments and project cancellations and is, therefore, an uncertain indicator of future earnings.
Real Estate Backlog: amount receivable in connection with home sales that were pending at the end of the period.

NET FINANCIAL DEBT
Net financial debt is defined as total gross financial debt (current and non-current) less current financial assets, cash and other cash equivalents.

8. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 March 2021, prepared in accordance with the International Financial Reporting Standards (IFRS) that had been adopted by the European Union at the end of the period, in conformity with Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002.

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9. CONTACT DETAILS

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