

# 3Q2020 Earnings Report



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## 1. SIGNIFICANT EVENTS

### FCC Construcción will build a new hospital in the United Kingdom for 590 million euros

Last September, a consortium in which FCC Construcción participates was awarded the contract for the design and construction of a new hospital in Jersey. The design is valued at 26.4 million euros and the execution period will be one and a half years. The construction phase will then begin, valued at a further 550 million euros.

Other significant works awarded include the E6 motorway in Norway valued at 238.8 million euros. This is the first contract awarded in that country and includes the design and construction of a new, 25-kilometre section of the E6 motorway with a 47-month execution period. Special mention should go to the award this year of the design, construction and maintenance of section 2 of the Maya Train (Mexico), jointly with Carso Infraestructuras y Construcción (CICSA). The project consists of a 200-kilometre section valued at more than 700 million euros with an execution period of 28 months to which a further five years of maintenance has been added.

### The FCC Group's environmental services area has strengthened its position in the United Kingdom with the entry of a financial partner

Last July, FCC reached an agreement with the investment group Icon Infrastructure Partners for the purchase of 49% of the capital of its new subsidiary Green Recovery Projects Limited, header and owner of five energy recovery plants for its Environment subsidiary in the United Kingdom, for an amount totalling 198 million pounds sterling. This means an appreciation in the value of the company, at 100%, of 650 million pounds including its debt. The recovery plants ("EfW") are located in Kent, Nottinghamshire, Buckinghamshire, Edinburgh and Lincolnshire. Final closure of the agreement is pending the corresponding regulatory approvals.

The head of the area, FCC Servicios Medio Ambiente Holding, will maintain control of the new subsidiary and its global consolidation, as well as a 50% stake in the incinerator in Mercia and a 40% stake in the one in Lostock.

### FCC as licensee for the construction and operation of a motorway in the United Kingdom

FCC, through its company FCC Concesiones, has been selected for the extension of the A465 motorway in Wales (United Kingdom). FCC is part of the Future Valleys consortium together with other local and international partners. The project was developed under the PPP model and consists of doubling the current motorway. It is 18 kilometres long and represent a significant improvement to the connectivity and development of the region, with a planned investment of more than 600 million euros.

### FCC has agreed to the sale of certain infrastructure concessions for more than 400 million euros

On 3 October, FCC agreed to sell its entire stake in three concessions located in Spain to Vauban Infrastructure Partners, within its policy of rotation and selective development of projects in this activity. These three concessions are included in the portfolio of the FCC Group, which has a stake in 14 transport infrastructure concessions. The agreement means the transfer of 51% in the Cedinsa Group, which manages the concession of four dual carriageways in Catalonia, 49% in Ceal 9, the concessionaire for section 1 of line 9 of the Barcelona Metro, and 29% in Urbicsa, the operator for the Ciudad de Justicia (City of Justice), also in Barcelona. The price to be paid by Vauban for all of FCC's stakes in these concessions amounts to 409.3 million euros and this will improve the Group's treasury position while enabling the deconsolidation of 690.7 million euros of net financial debt at the close of the third quarter. The closure of the agreement is pending obtaining the usual authorisations for this type of transaction.

### In the first six months FCC has distributed a scrip dividend of €0.4/share corresponding to business year 2019

FCC's General Shareholders' Meeting, held on 2 June, approved the distribution of a scrip dividend. As a result, in that month FCC paid €0.40 per share month to those shareholders who chose to receive the company's scrip dividend in cash. It should be pointed out that 98.7% of the shareholders chose to receive the equivalent amount in new shares issued by the company. This is the second consecutive year that the FCC Group has applied this type of scrip dividend system, which the vast majority of shareholders use in its formula of new shares issued, which shows support for the Group's reinvestment and financial strengthening policy.

## 2. EXECUTIVE SUMMARY

- In the first nine months of 2020, FCC Group's revenues reached 4,448.1 million euros, 2.8% lower than 2019. This reduction mitigates that registered in previous periods, when the impact of the measures taken since last March to combat the Covid 19 health was more apparent. All in all, Utilities activities (especially Environment and Water), have performed better because they are classified as essential services, together with the greater contribution to revenue achieved by Concessions.

- Gross operating profit increased by 2.8%, reaching 761.5 million euros. The explanation for this improvement lies in the above-mentioned effect of the progressive recovery of operating activities, a greater contribution from the concession activity and an increase in the revenue from the sale of surplus emission rights in the Cement area. Even after adjustments for this last factor, the fall in accumulated Ebitda until September was moderated compared to previous periods, down to -1.9% compared to the previous business year.

- Attributable net income reached 174.5 million euros, 25.1% lower than the previous year. Again as in previous periods, it includes the differential behaviour of the exchange differences recorded, -43.6 million euros in this period for 2020 compared to 23.7 million in 2019.

- The Group's financial debt decreased considerably compared to the end of the previous year, as the debt relating to infrastructure concession assets was excluded, the sale of which was agreed at the end of the period. So net financial debt balance closed last September at 3,084.7 million euros, 13.8% lower than in December 2019.

- At the end of September 2020, the Group's revenue portfolio stood at 30,044.7 million euros, which still does not include significant contracts provisionally awarded in the Construction and Environment areas.

### KEY FIGURES

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Net turnover (NT)	4,448.1	4,577.9	-2.8%
Gross Operating Profit (EBITDA)	761.5	740.8	2.8%
<i>EBITDA Margin</i>	<i>17.1%</i>	<i>16.2%</i>	<i>0.9 p.p</i>
Net Operating Profit (EBIT)	393.4	414.3	-5.0%
<i>EBIT Margin</i>	<i>8.8%</i>	<i>9.1%</i>	<i>-0.2 p.p</i>
Income attributable to the parent company	174.5	233.0	-25.1%

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Dec. 19</b>	<b>Chg. (%)</b>
Equity	2,634.7	2,473.8	6.5%
Net financial debt	3,084.7	3,578.7	-13.8%
Backlog	30,044.7	31,038.4	-3.2%

### 3. SUMMARY BY BUSINESS AREA

(Millions of Euros)

Area	Sept. 20	Sept. 19	Chg. (%)	% of 2020 total	% of 2019 total
<b>REVENUE BY BUSINESS AREA</b>					
Environment	2,125.9	2,168.5	-2.0%	47.8%	47.4%
Water	882.4	881.2	0.1%	19.8%	19.2%
Construction	1,113.2	1,218.6	-8.6%	25.0%	26.6%
Cement	281.7	315.8	-10.8%	6.3%	6.9%
Concessions	93.3	27.0	N/A	2.1%	0.6%
Corporate serv. and others	(48.4)	(33.1)	46.0%	-1.1%	-0.7%
<b>Total</b>	<b>4,448.1</b>	<b>4,577.9</b>	<b>-2.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>REVENUE BY GEOGRAPHICAL AREA</b>					
Spain	2,659.5	2,497.9	6.5%	59.8%	54.6%
Rest of Europe and Others	566.8	499.3	13.5%	12.7%	10.9%
United Kingdom	492.4	557.0	-11.6%	11.1%	12.2%
Middle East & Africa	355.4	437.0	-18.7%	8.0%	9.5%
Czech Republic	212.0	213.0	-0.5%	4.8%	4.7%
Latin America and USA	162.0	373.7	-56.6%	3.6%	8.2%
<b>Total</b>	<b>4,448.1</b>	<b>4,577.9</b>	<b>-2.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EBITDA*</b>					
Environment	319.9	359.7	-11.1%	42.0%	48.6%
Water	208.5	207.0	0.7%	27.4%	27.9%
Construction	43.5	73.7	-41.0%	5.7%	9.9%
Cement	97.6	66.7	46.3%	12.8%	9.0%
Concessions	71.3	15.3	N/A	9.4%	2.1%
Corporate serv. and others	20.7	18.4	12.7%	2.7%	2.5%
<b>Total</b>	<b>761.5</b>	<b>740.8</b>	<b>2.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>OPERATING PROFIT/(LOSS)</b>					
Environment	137.9	179.4	-23.1%	35.1%	43.3%
Water	123.9	131.3	-5.6%	31.5%	31.7%
Construction	18.4	55.0	-66.5%	4.7%	13.3%
Cement	72.7	39.9	82.2%	18.5%	9.6%
Concessions	33.9	5.5	N/A	8.6%	1.3%
Corporate serv. and others	6.6	3.2	106.3%	1.7%	0.8%
<b>Total</b>	<b>393.4</b>	<b>414.3</b>	<b>-5.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>NET FINANCIAL DEBT*</b>					
With Recourse	238.2	(12.8)	N/A	7.7%	-0.4%
Without Recourse					
Environment	1,373.1	1,332.2	3.1%	44.5%	37.2%
Water	1,229.7	1,214.5	1.3%	39.9%	33.9%
Construction	0.0	0.0	N/A	0.0%	0.0%
Cement	228.3	293.0	-22.1%	7.4%	8.2%
Concessions	15.4	751.8	N/A	0.5%	21.0%
<b>Total</b>	<b>3,084.7</b>	<b>3,578.7</b>	<b>-13.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>BACKLOG*</b>					
Environment	9,663.5	10,366.2	-6.8%	32.2%	33.4%
Water	15,040.6	15,018.3	0.1%	50.1%	48.4%
Construction	5,286.8	5,623.2	-6.0%	17.6%	18.1%
Real Estate	53.8	30.7	75.1%	0.2%	0.1%
<b>Total</b>	<b>30,044.7</b>	<b>31,038.4</b>	<b>-3.2%</b>	<b>100.0%</b>	<b>100.0%</b>

\* See page 25 for a definition of the calculation in accordance with ESMA regulations (2015/1415en)

#### 4. INCOME STATEMENT

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
<b>Net turnover (NT)</b>	<b>4,448.1</b>	<b>4,577.9</b>	<b>-2.8%</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>761.5</b>	<b>740.8</b>	<b>2.8%</b>
<i>EBITDA Margin</i>	<b>17.1%</b>	<b>16.2%</b>	<b>0.9 p.p</b>
Provision for amortisation of fixed and non-current assets	(377.6)	(334.8)	12.8%
Other operating income	9.5	8.3	14.5%
<b>Net Operating Profit (EBIT)</b>	<b>393.4</b>	<b>414.3</b>	<b>-5.0%</b>
<i>EBIT margin</i>	<b>8.8%</b>	<b>9.1%</b>	<b>-0.2 p.p</b>
Financial income	(102.0)	(108.2)	-5.7%
Miscellaneous financial results	(45.5)	12.4	N/A
P/L of companies accounted for by the equity method	53.0	67.3	-21.2%
<b>Profit/(loss) before tax from continuing activities</b>	<b>299.0</b>	<b>385.8</b>	<b>-22.5%</b>
Company tax on profits	(68.3)	(97.3)	-29.8%
<b>Income from continuing operations</b>	<b>230.7</b>	<b>288.5</b>	<b>-20.0%</b>
<b>Net Income</b>	<b>230.7</b>	<b>288.5</b>	<b>-20.0%</b>
Non-controlling interests	(56.2)	(55.5)	1.3%
<b>Income attributable to the parent company</b>	<b>174.5</b>	<b>233.0</b>	<b>-25.1%</b>

#### 4.1 Net Revenue

The Group's consolidated income reached 4,448.1 million euros in the first nine months of the year, 2.8% lower than for the same period in the previous year. All activities include, to a varying degree, the measures decreed since the middle of last March in most of the countries in which the Group operates to address the health crisis caused by Covid 19. However, the Concessions area recorded an increase in contribution as a result of the acquisition of a majority in the Cedinsa group in November last year, together with relatively stable behaviour experienced in the Water and Environment areas.

According to the different business areas, the one with the highest contribution, Environment, recorded a contraction in revenues of 2%, mainly due to the impact suffered by lower volumes in the field of waste processing, especially in the United Kingdom.

Revenues in the Water area remained stable, with an increase of 0.1%, supported by the contribution of new operations in concessions, for which France and Saudi Arabia deserve special mention.

In Construction there was progressive mitigation of the lower level of activity, with a contraction of 8.6%, mainly in international projects. In Spain, a higher level of activity in new contracts was maintained, which largely made it possible to compensate for the stoppage intervals registered in the year. On the contrary, the international market continued to suffer a more severe drop in activity, with the resulting slower pace of progress in a number of contracts.

In the Cement area, revenues also saw a mild recovery in the third quarter taken separately, which enabled the accumulated decrease for the year to be moderated by 10.8%, as a result of a reduction in the number of days operations were allowed in the months of March and April, as well as a lower demand associated with the prevailing temporary restrictions.

<b>Revenue Breakdown by Geographical Area</b>			
<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	2,659.5	2,497.9	6.5%
Rest of Europe and Others	566.8	499.3	13.5%
United Kingdom	492.4	557.0	-11.6%
Middle East & Africa	355.4	437.0	-18.7%
Czech Republic	212.0	213.0	-0.5%
Latin America and USA	162.0	373.7	-56.6%
<b>Total</b>	<b>4,448.1</b>	<b>4,577.9</b>	<b>-2.8%</b>

By business area in Spain, revenues increased their contribution by 6.5% to 2,659.5 million euros. Environment suffered a 0.5% drop that can be explained by the impact of a lower level of activity during the months of lockdown in the management of non-essential municipal urban services. Water recorded a 3.1% reduction due to a slight reduction in volumes invoiced as a result of a drop in economic activity in non-residential customers, together with lower contribution from Technology and Networks. Revenues in the Construction area increased by an outstanding 33.9%, so the momentum of the activity relating to new contracts awarded throughout the previous year more than offset the restrictive measures in non-essential activities imposed between the months of March and May. Similarly, the Cement area, which suffered the most in previous periods from the restriction measures imposed between March and May, partially recovered its pace of activity, with a drop of 6.7% for the period as a whole. Finally, it is worth mentioning the increase in the contribution of the Concessions area, with a total of 91.9 million euros.

In the United Kingdom, with revenue generated mainly in the Environment area, the fall was more moderate and reached 11.6% to a total of 492.4 million euros, due to a lower contribution from the Edinburgh processing and revaluation plant, after the completion of the construction phase and start of operations in mid-2019, as well as the effect of lower revenues generated in the waste reduction and processing activity linked to the lockdown imposed during this period.

In all other geographical areas within the EU, special mention should go to the 13.5% increase in the Rest of Europe and Others, due to a greater contribution in Construction resulting from new contracts in the Netherlands and improved construction pace in others, such as Belgium and Portugal, combined with an upturn in activity in Environment in some countries where the Group operates, mainly Poland. In the Czech Republic, there was a small reduction of 0.5% due to a fall in the exchange rate during the period (-2.5%), with no significant changes in the level of activity both for Environment and Water.

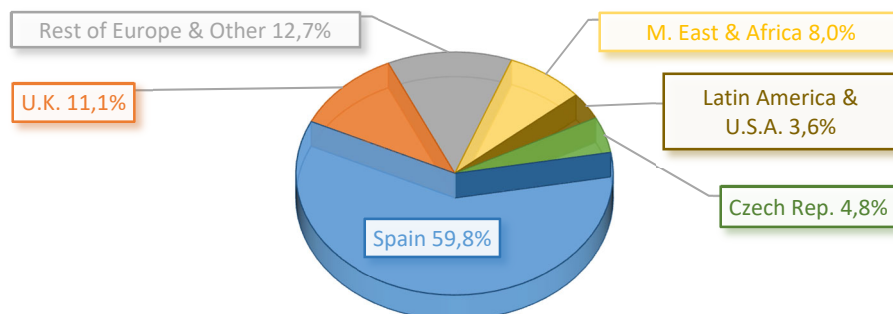
Outside the EU, the Middle East and Africa maintained the effect of the strict lockout measures taken during the period in some of the Group's main countries of operations, especially Saudi Arabia. So a reduction of 18.7% was maintained, focussed on the Construction area. In other activities such as Water, a growing level of activity was maintained, with greater activity in Technology and Networks, together with higher income in the operation and exploitation of processing plants in Saudi Arabia, the United Arab Emirates and Egypt. Revenues in this geographical area did not vary greatly in all other business areas.

Revenues in Latin America and USA decreased by 56.6%, mainly due to the lower rate of contribution from projects in Panama, mostly in the Construction area, due to the severe measures taken to fight against the pandemic, together with a lower contribution from projects executed in Peru and Colombia. In the United States, revenues increased in the Environment area due to the new contracts in Florida coming into operation.

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### % Revenue by Geographical Area

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#### 4.2 Gross Operating Profit (EBITDA)

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The gross operating profit recorded in the period was 761.5 million euros, which represents an increase of 2.8% compared to the same period in the previous year. This increase is largely explained by the combination of increased profit from the sale of emission rights performed in the Cement area in recent months, a greater contribution from the Concessions area and the already mentioned recovery of revenue in the different business areas.

By business area, the most noteworthy developments were:

In the Environment, there was a reduction of 11.1% that reached 319.9 million euros due to the effect of lower volumes in collection and processing, as well as expenses resulting from programmed shutdowns and extraordinary repairs. This gave an operating margin of 15% for this period.

The Water area invoiced 208.5 million euros, similar to that recorded in the previous year, supported by a greater contribution by the concessions and services activity resulting from additions in France and Saudi Arabia that were able to offset a lower contribution by Technology and Networks. Overall, the operating margin remained at a similar level (23.6% for the period).

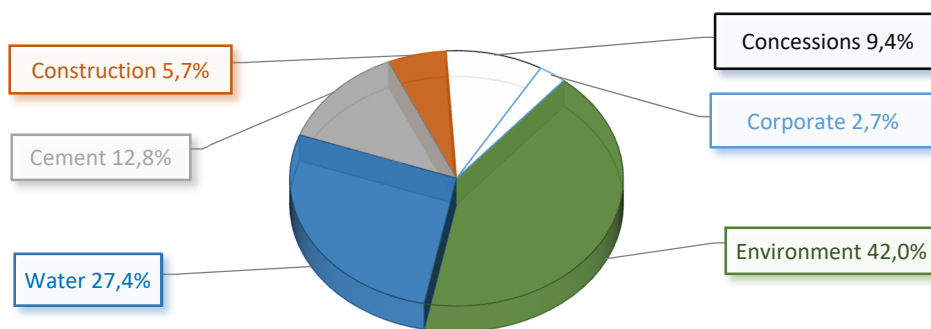
In Concessions, the differential contribution from the Cedinsa concession group, amounting to 57.7 million euros, led to EBITDA increasing to 71.3 million euros, compared to 15.3 million euros in the same period last year.

Progress in and the contribution of the areas of activity linked to the construction cycle were affected by the above-mentioned general restrictive measures, although not as much as in previous quarters. So revenues in the Construction area totalled 43.5 million euros, compared to 73.7 million euros in the previous year, mainly as a result of a downturn in activity in the international arena, with a 3.9% reduction in margins in this period.

In Cement, special mention should go to the contribution from the sale of CO2 rights, concentrated in the third quarter, totalling 40.6 million euros compared to 5.6 million euros in the same period in the previous year, which together with a progressive improvement in demand brought about a remarkable 46.3% increase in Ebitda for the period.



### % EBITDA by Business Area



As a result of the performance in several utilities areas, Environment and Water (together with Concessions) maintained a high contribution to operating profit reaching 78.8% for the period, compared to 21.2% from those linked to demand for the construction of infrastructure, building and other activities.

#### 4.3 Net Operating Profit (EBIT)

Net operating profit was 393.4 million euros, 5% lower than the results of 2019. No noteworthy impact was detected in other operating profits or changes in amortisation criteria and the contribution of assets to the generation of income, whereas the EBIT reflected the effect of developments in gross operating profit together with a greater allocation for amortisation corresponding to transport concession assets affected by operating activity after it entered into consolidation at the end of the last business year.

#### 4.4 Earnings before Taxes (EBT) from continuing operations

Profit before tax for continued activities stood at 299 million euros, 22.5% down on 2019, due to the fact that developments in operational processes were accompanied by a sustained negative impact on the exchange rate, with negative differences this year compared to the positive contribution it made in the previous year.

##### 4.4.1 Financial income

Net financial income was 5.7% lower in the first nine months of the year, totalling -102 million euros compared to -108.2 million euros in the previous year. The decrease is associated with the base reduction effect of 18.8 million euros recorded in 2019 corresponding to delay payment surcharges relating to a tax procedure and which required the company to submit an appeal against this tax settlement. Moreover, and with a similar volume as before, it includes the costs corresponding to project financing in the Cedinsa subgroup Concessions area following entry into consolidation on 1 November 2019.

##### 4.4.2 Miscellaneous financial results

This epigraph includes an amount of -45.5 million euros, compared with -12.4 million euros last year. The difference is largely due to the impact from developments in the exchange rate, with negative exchange differences amounting to -43.6 million euros recorded in this period compared to +23.7 million euros recorded for the previous year.

##### 4.4.3 Profit/(loss) of equity-accounted affiliates

The contribution from co-managed companies and subsidiaries amounted to 53 million euros, compared to 67.3 million euros in the previous year, due to a lower contribution from subsidiaries in the Construction, Concessions and Real Estate areas, compared to an increase in those related to renewable energy activities.

#### 4.5 Income attributable to the parent company

The net attributable profit for the period was 174.5 million euros, 25.1% down on 2019. This profit is accounted for by the contribution to EBT from the following items:

Corporation tax costs amounting to -68.3 million euros, compared to -97.3 million euros in 2019. This is in line with developments in profit before taxes from continuing activities.

The sustained performance of profit attributable to minority shareholders, with 56.2 million euros compared to 55.5 million euros in the previous year, was mainly concentrated in the Water area (with 50.3 million euros) and mainly consists of the participation of a minority shareholder in this area.

#### 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.

	Sept. 20	Sept. 19	Chg. (%)
<b>Net turnover (NT)</b>	<b>4,441.7</b>	<b>4,659.4</b>	<b>-4.7%</b>
<b>Gross Operating Profit (EBITDA)</b>	<b>750.9</b>	<b>837.9</b>	<b>-10.4%</b>
<i>EBITDA Margin</i>	<i>16.9%</i>	<i>18.0%</i>	<i>-1.1 p.p</i>
<b>Net Operating Profit (EBIT)</b>	<b>394.7</b>	<b>493.8</b>	<b>-20.1%</b>
<i>EBIT margin</i>	<i>8.9%</i>	<i>10.6%</i>	<i>-1.7 p.p</i>
<b>Income attributable to the parent company</b>	<b>174.5</b>	<b>233.0</b>	<b>-25.1%</b>

## 5. BALANCE SHEET

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Dec. 19</b>	<b>Chg. (Mn€)</b>
Intangible fixed and non-current assets	2,397.4	3,458.4	(1,061.0)
fixed and non-current assets/Property, Plant and Equipment	2,753.2	2,866.5	(113.3)
Equity-accounted affiliates	749.4	741.5	7.9
Non-current financial assets	592.6	863.2	(270.6)
Deferred tax assets and other non-current assets	576.5	599.9	(23.4)
<b>Non-current assets</b>	<b>7,069.0</b>	<b>8,529.6</b>	<b>(1,460.6)</b>
Non-current assets held for sale	1,360.5	0.0	1,360.5
Inventory	799.2	728.8	70.4
Trade and other receivables	2,117.1	1,907.7	209.4
Other current financial assets	200.5	189.6	10.9
Cash and cash equivalents	1,105.6	1,218.5	(112.9)
<b>Current assets</b>	<b>5,582.9</b>	<b>4,044.6</b>	<b>1,538.3</b>
<b>TOTAL ASSETS</b>	<b>12,651.9</b>	<b>12,574.1</b>	<b>77.8</b>
Equity attributable to shareholders of the parent company	2,079.4	1,951.3	128.1
Non-controlling interests	555.3	522.5	32.8
<b>Equity</b>	<b>2,634.7</b>	<b>2,473.8</b>	<b>160.9</b>
Subsidies	186.1	333.8	(147.7)
Non-current provisions	1,091.0	1,130.2	(39.2)
Long-term financial debt	3,595.2	4,448.7	(853.5)
Other non-current financial liabilities	438.5	581.6	(143.1)
Deferred tax liabilities and other non-current liabilities	286.7	303.0	(16.3)
<b>Non-current liabilities</b>	<b>5,597.5</b>	<b>6,797.2</b>	<b>(1,199.7)</b>
Liabilities relating to non-current assets held for sale	1,068.3	0.0	1,068.3
Current provisions	209.2	249.6	(40.4)
Short-term financial debt	795.7	538.2	257.5
Other current financial liabilities	168.2	145.4	22.8
Trade and other payables	2,178.3	2,370.0	(191.7)
<b>Current liabilities</b>	<b>4,419.7</b>	<b>3,303.2</b>	<b>1,116.5</b>
<b>TOTAL LIABILITIES</b>	<b>12,651.9</b>	<b>12,574.1</b>	<b>77.8</b>

## 5.1 Investments accounted for using the equity method

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The epigraph entitled investments accounted for using the equity method amounted to 749.4 million euros at the end of September, with the following breakdown of the most significant investments in equity:

- 1) 278.5 million euros for a 36.9% stake in Realia.
- 2) 74.4 million euros for participation in a number of transport infrastructure and equipment concessions.
- 3) 92.5 million euros for participation in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
- 4) 35.5 million euros for participation in companies in the Water area, largely concessionary companies managing services abroad (North Africa and Mexico).
- 5) 27.8 million euros from subsidiaries of the parent company in the Cement area.

This epigraph also includes a further 240.7 million euros for the remaining investments in own funds for other participations together with loans granted to subsidiaries.

## 5.2 Assets held for sale

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This epigraph is included in current assets, for an amount of 1,360.5 million euros, with its corresponding counterpart in liabilities, all of the assets corresponding to certain participations in the concessions activity whose sale was agreed at the end of the period and until it leaves the consolidated perimeter when the transaction is closed.

## 5.3 Cash, cash equivalents and available lines of credit

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The balance for the Cash and cash equivalents epigraph amounted to 1,105.6 million euros as at September in the business year, with 74.2% for companies and non-recourse perimeters and the remaining 25.8% for the Group's parent company and its recourse perimeter.

Additionally, and as a result of the measures implemented in many countries to combat the COVID-19 pandemic, combined with a sharp drop in economic activity, there was a temporary disruption in financial markets that started to recover at the end of the second quarter. Against this backdrop and together with the cash available in the consolidated balance sheet on 30 September, amounting to 1,105.6 million euros, the FCC Group had the following liquidity and available lines of credit:

- 1) In the recourse perimeter, cash and equivalents of 284.9 million euros and lines of credit of 337 million euros, totalling 621.9 million euros.
- 2) In the non-recourse perimeters, cash and equivalents of 820.7 million euros and lines of credit of 395 million euros, totalling 1,215.7 million euros.

This took the FCC Group's total for cash, cash equivalents and available lines of credit at the end of September to 1,837.6 million euros, compared to a total short-term financial debt (maturing before 12 months) at the same date amounting to 795.7 million euros. This represents a volume of over 2.3 times the amount of existing maturities until 30 September 2021.

Epigraph 5.4 details the nature and amounts of short-term financial debt for a better understanding of the Group's financial position in the short term.

## 5.4 Equity

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Equity at the close of the third quarter amounted to 2,634.7 million euros, 6.5% more than at the end of the last business year. This increase is largely due to the contribution of attributable net revenue of 174.5 million euros achieved in the period million and to a lesser extent to the increase in minority interests up to EUR 555.3 million euros.

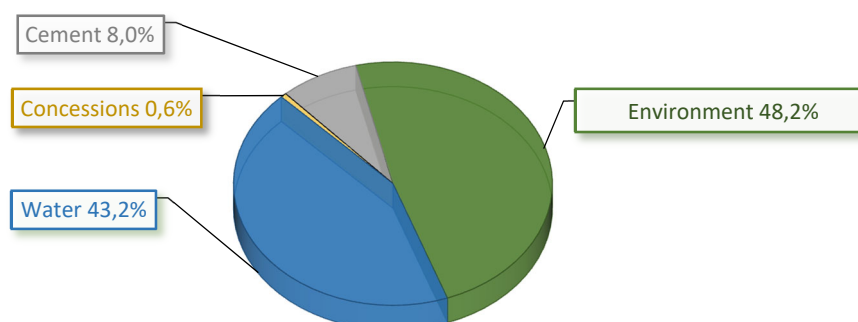
## 5.5 Financial debt

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Dec. 19</b>	<b>Chg. (Mn€)</b>
Bank borrowings	1,144.7	1,474.7	(330.0)
Debt instruments and other loans	3,071.5	3,125.0	(53.5)
Payables due to financial leases	55.9	63.8	(7.9)
Other financial liabilities	118.7	323.4	(204.7)
<b>Gross Financial Debt</b>	<b>4,390.8</b>	<b>4,986.9</b>	<b>(596.1)</b>
Treasury and other current financial assets	(1,306.1)	(1,408.2)	102.1
<b>Net Financial Debt</b>	<b>3,084.7</b>	<b>3,578.7</b>	<b>(494.0)</b>
<i>Net financial debt with recourse</i>	<i>238.2</i>	<i>-12.8</i>	<i>251.0</i>
<i>Net financial debt without recourse</i>	<i>2,846.5</i>	<i>3,591.5</i>	<i>(745.0)</i>

With regard to gross financial debt, 18.1% has short-term maturity, equivalent to 795.7 million euros. Out of this total, 295.9 million euros are marketable securities, mostly commercial paper issued on the Irish Stock Exchange by the Group's parent company and the Environment area, 454.3 million euros correspond to a number of lines of credit with credit institutions, including both bilateral corporate financing and non-recourse projects, and the remaining 45.5 million euros corresponds to financial debt with third parties.

Almost all of the net financial debt is without recourse and is allocated to business areas, totalling 3,084.7 million euros at the end of the period. The parent company's net debt position stands at 238.2 million euros.

### 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 1,229.7 million euros, of which, in addition to corporate bond financing in the parent company, another 186.4 million euros correspond to the Czech Republic business and the rest to a number of concessions in the end-to-end water cycle; (ii) the Cement area accounts for 228.3 million euros; (iii) the Environment area accounts for 1,373.1 million euros, most of which corresponds to long-term bonds issued at the end of 2019 by the area's parent company, another 129.9 million euros correspond to activity in the United Kingdom, 25.3 million euros for the area's activity in central Europe and the rest, 57.2 million euros, to financing three waste processing and recycling plant projects in Spain; (iv) 15.4 million euros is accounted for by the Concessions area, after deconsolidation amounting to 690.7 million euros, corresponding to the Cedinsa concession group's project debt.

## 5.6 Other current and non-current financial liabilities

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The epigraph for other current and non-current financial liabilities totalled 606.7 million euros at the end of September. The balance mainly includes the liability for accounting in the asset cost for operating leases totalling 406.4 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 42% of the Group's EBITDA at the close of the third quarter. 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

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Turnover	2,125.9	2,168.5	-2.0%
<i>Waste collection and street cleaning</i>	1,055.2	1,016.3	3.8%
<i>Waste processing</i>	641.2	733.5	-12.6%
<i>Other services</i>	429.5	418.7	2.6%
EBITDA	319.9	359.7	-11.1%
<i>EBITDA Margin</i>	15.0%	16.6%	-1.5 p.p
EBIT	137.9	179.4	-23.1%
<i>EBIT margin</i>	6.5%	8.3%	-1.8 p.p

Turnover for the Environment area was 2,125.9 million euros for the period, 2% less than for the same period in the previous year. The waste collection and street cleaning activity increased by 3.8% to 1,055.2 million euros, due to a greater contribution from the USA after the entry into operation of new contracts together with very stable performance in all other geographical areas.

The waste processing activity decreased by 12.6% to 641.2 million euros, mainly due a the drop in earnings from the processing activity in the United Kingdom (with a lower contribution of earnings from the development of new plants) and to a lesser extent in Central Europe.

<b>Breakdown of revenue by geographical area</b>			
<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	1,255.4	1,261.5	-0.5%
United Kingdom	452.1	517.0	-12.6%
Central Europe	347.4	347.9	-0.1%
USA and others	71.0	42.1	68.6%
<b>Total</b>	<b>2,125.9</b>	<b>2,168.5</b>	<b>-2.0%</b>

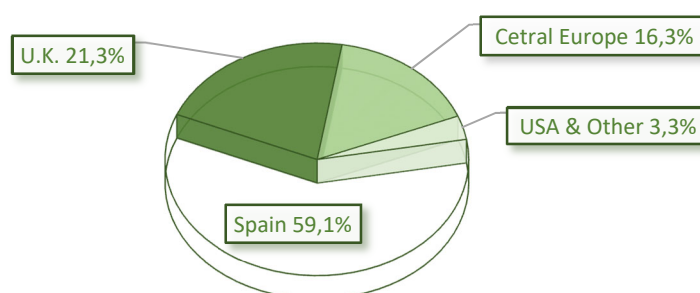
By geographical area, revenue in Spain remained stable compared to the previous year with up to 1,255.4 million euros, where the effect of the measures taken to combat the pandemic focussed on certain urban services considered to be non-essential. This was seen to be largely offset by the stability of other essential municipal waste activities and the higher revenue associated with the development phase for treatment plants.

In the United Kingdom, turnover decreased by 12.6% to 452.1 million euros due to the lower volume of activity and waste reduction associated with lockdown during this period and a lower contribution by the Edinburgh processing and revaluation plant after completion of the construction phase and the start of operations from mid-2019.

In central Europe, revenues remained stable at 347.4 million euros, where a lower level of activity in countries such as Bulgaria and Slovakia was almost entirely offset by an increase in the volume of activity in Poland.

Lastly, turnover in the USA and other markets increased by a remarkable 68.6% due to a greater contribution from the Palm Beach and Volusia contracts, both in Florida.

### Breakdown of Revenue by Geographical Area



Gross operating profit (EBITDA) decreased by 11.1% to 319.9 million euros, motivated by the developments in revenue described above together with a lower performance in the incineration plants in the United Kingdom due to shutdowns scheduled in their maintenance.

Net operating profit (EBIT) decreased by 23.1% compared to the previous year and stood at 137.9 million euros, due to developments in the different components mentioned in the Ebitda.

### Breakdown of Backlogs by Geographical Area

(Millions of Euros)	Sept. 20	Dec. 19	Chg. (%)
Spain	5,022.5	5,354.5	-6.2%
International	4,641.0	5,011.7	-7.4%
<b>Total</b>	<b>9,663.5</b>	<b>10,366.2</b>	<b>-6.8%</b>

At the end of September, the backlog for the area fell by 6.8% to 9,663.5 million euros. It is worth mentioning the recent award of the Barcelona urban sanitation contract for 8 years, for an amount exceeding 800 million euros, that was not included in the backlog at the end of September.

#### 6.1.2. Financial Debt

(Millions of Euros)	Sept. 20	Dec. 19	Chg. (Mn€)
Net Financial Debt without recourse	1,373.1	1,332.2	40.9

There was no appreciable variation to Net financial debt without recourse to the header at the end of September. The main balance corresponds to the issue of two green bonds for a total amount of 600 and 500 million euros respectively by the parent company in the fourth quarter of 2019, and the remaining balance of 129.9 million euros corresponds to activity in the United Kingdom, a further 25.3 million euros corresponds to activity in Central Europe and the rest to waste processing and recycling plants in Spain.



## 6.2. End-to-End Water Management

The Water area contributed 27.4% of FCC Group's EBITDA in the period. 85.8% 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 14.2% 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, following last year's acquisition. 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 25 million inhabitants.

### 6.2.1 Earnings

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Turnover	882.4	881.2	0.1%
<i>Concessions and services</i>	757.4	732.7	3.4%
<i>Technology and networks</i>	125.0	148.4	-15.8%
EBITDA	208.5	207.0	0.7%
<i>EBITDA Margin</i>	23.6%	23.5%	0.1 p.p
EBIT	123.9	131.3	-5.6%
<i>EBIT margin</i>	14.0%	14.9%	-0.9 p.p

Revenues remained stable and reached 882.4 million euros. The Concessions and Services activity increased by 3.4% compared to the previous business year totalling 757.4 million euros as a result of a greater contribution from the contracts incorporated in France, Mexico, Colombia and Saudi Arabia. Technology and Networks activity decreased by 15.8%, due to a slower execution rate in construction projects, mainly in the international area.

#### Breakdown of revenue by geographical area

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	583.2	601.6	-3.1%
Middle East, Africa and Others	129.5	82.4	57.2%
Central Europe	77.6	82.8	-6.3%
Rest of Europe (France, Portugal and Italy)	55.5	51.5	7.8%
Latin America	36.6	62.9	-41.8%
<b>Total</b>	<b>882.4</b>	<b>881.2</b>	<b>0.1%</b>

By geographical area, revenues in Spain totalled 583.2 million euros, 3.1% less than in the same period in the previous year as a result of a decrease in the volumes invoiced to non-domestic customers, as well as a lower rate of execution in some Technology and Networks projects associated with concessions.

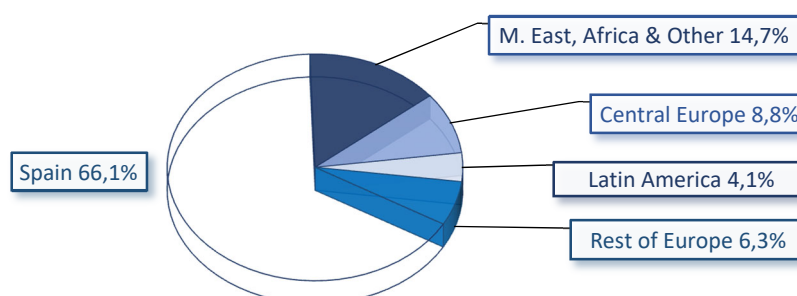
In the international arena, in the Middle East, Africa and Others, revenues increased by an outstanding 57.2% to 129.5 million euros, due firstly to an increase in concession activity resulting from the contribution of the companies acquired in Saudi Arabia, and secondly, in Technology and Networks activity resulting from the development of a wastewater processing plant in Egypt.

Revenues in Central Europe fell by 6.3% to 77.6 million euros due to the completion of Technology and Networks projects in Montenegro and Serbia. End-to-end cycle activity in the Czech Republic remained stable due to an update in rates that largely offset the fall in consumption caused by the health crisis, focused on the same type of client as in Spain.

In the Rest of Europe, revenues increased by 7.8% to 55.5 million euros as a result of the contribution by the company Aqualia France (formerly SPIE) acquired in June 2019, which compensated for a downturn in infrastructure activity in the Caltanissetta concession in Italy.

In Latin America, turnover decreased by 41.8% to 36.6 million euros due to a slower execution rate for a plant in Colombia and the completion of the construction phase of another in Ecuador, which is already in the exploitation phase and this has not been offset by the growth in contributions from new contracts in Mexico and Colombia.

#### Breakdown of Revenue by Geographical Area



Gross operating profit (EBITDA) increased by 0.7% and totalled 208.5 million euros, where the incorporation of new contracts in concessions and services helped to offset the above-mentioned decrease in volumes and activity in Technology and Networks, due to the interruption and delay of some projects. Margins remained stable compared to the same period of the previous year.

Net operating profit (EBIT) decreased by 5.6% compared to the previous business year and totalled 123.9 million euros as a result of fall in the contribution of other profits from joint exploitation together with an increase in provisions for amortisation due to an increase in the asset base and new areas of operations.

#### Breakdown of Backlogs by Geographical Area

(Millions of Euros)	Sept. 20	Dec. 19	Chg. (%)
Spain	7,394.7	7,813.1	-5.4%
International	7,645.9	7,205.2	6.1%
<b>Total</b>	<b>15,040.6</b>	<b>15,018.3</b>	<b>0.1%</b>

Figures for the backlog were similar to those to December of the previous year, totalling 15,040.6 million euros, where new international incorporations, mainly in Colombia, Saudi Arabia and Mexico, compensated for the downturn in Spain, due to delay in the public award of contracts.

#### 6.2.2. Financial Debt

(Millions of Euros)	Sept. 20	Dec. 19	Chg. (Mn€)
Net Financial Debt without recourse	1,229.7	1,214.5	15.2

Net financial debt, entirely without recourse to the head of the Group, did not register any appreciable variation with respect to the balance as at December 2019 and totalled 1,229.7 million euros. Most of the debt balance corresponds to long-term bonds issued by the area's parent company, with a gross balance of 1,346.1 million euros.

### 6.3. Construction

The Construction area accounted for 5.7% of the Group's EBITDA in the third quarter. Activities were focused on the design and construction of large civil engineering, industrial and complex 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.

#### 6.3.1 Earnings

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Turnover	1,113.2	1,218.6	-8.6%
EBITDA	43.5	73.7	-41.0%
<i>EBITDA Margin</i>	3.9%	6.0%	-2.1 p.p
EBIT	18.4	55.0	-66.5%
<i>EBIT margin</i>	1.7%	4.5%	-2.9 p.p

Revenues in the area fell by 8.6% to the end of September and totalled 1,113.2 million euros, due to a slower pace of execution in ongoing projects in the international arena, mainly in Latin America and the Middle East that were not offset by a substantial contribution from contracts currently being executed in Europe.

<b>Breakdown of revenue by geographical area</b>			
<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	599.6	447.8	33.9%
Europe and others	257.6	186.4	38.2%
Middle East and Africa	187.9	310.0	-39.4%
Latin America and USA	68.1	274.4	-75.2%
<b>Total</b>	<b>1,113.2</b>	<b>1,218.6</b>	<b>-8.6%</b>

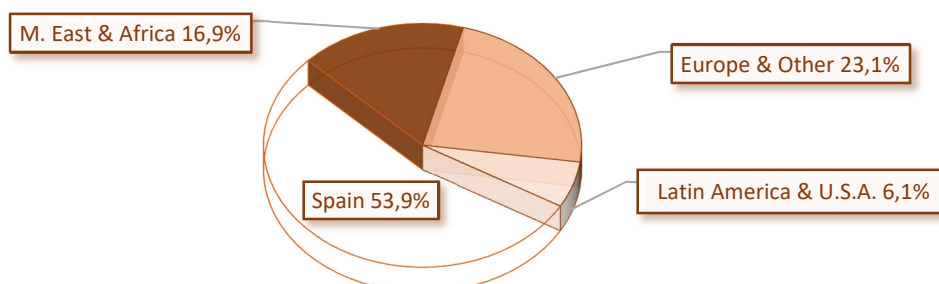
By geographical area, in Spain turnover increased by 33.9% to 599.6 million euros, due to a good pace of execution in significant building projects with special mention for the Santiago Bernabeu football.

In Europe and other markets, turnover increased by 38.2% compared to the previous business year, totalling 257.6 million euros as a result of an increase in activity and projects started in EU countries, with a special mention for the A-9 motorway in the Netherlands and the Haren prison complex in Belgium.

In the Middle East and Africa revenues decreased by 39.4% to 187.9 million euros, mainly due to the lower activity registered in the construction of the Riyadh metro in Saudi Arabia as a result of the harsh lockdown measures decreed because of the pandemic.

In Latin America and the USA, turnover decreased by 75.2% in these nine months of the business year, mainly due to the effect of the completion of the Gerald Desmond Bridge in Los Angeles (USA) and line 2 of the Panama metro, together with demanding lockdown measures in certain countries that slowed down the rate of progress, as in works for the Lima metro (Peru).

### Breakdown of revenue by geographical area



Gross operating income (EBITDA) fell by 41% compared to the previous business year and totalled 43.5 million euros due to the effect of a drop in activity on the cost structure in the international arena that could not be offset by a good performance of contracts in Spain.

Net operating profit stands at 18.4 million euros compared to 55 million euros for the previous year, reflecting developments already commented on at the gross operating income level.

### Breakdown of Backlogs by Geographical Area

<i>(Millions of Euros)</i>	Sept. 20	Dec. 19	Chg. (%)
Spain	1,747.0	2,010.3	-13.1%
International	3,539.8	3,612.9	-2.0%
<b>Total</b>	<b>5,286.8</b>	<b>5,623.2</b>	<b>-6.0%</b>

The area's revenue portfolio decreased by 6% at the end of September compared to December in the previous business year and totalled 5,286.8 million euros, where progress in projects mainly in Spain was not offset by the incorporation of new contracts. The international area decreased by 2%, the reasons for which include the situation resulting from the cancellation of the contract for the "Ciudad de la Salud" Health Centre in Panama and it was not entirely offset by the new contracts awarded (United Kingdom).

### Breakdown of the Portfolio by Activity Segment

<i>(Millions of Euros)</i>	Sept. 20	Dec. 19	Chg. (%)
Civil engineering works	4,115.0	3,991.6	3.1%
Building	781.7	1,251.6	-37.5%
Industrial Projects	390.1	380.0	2.7%
<b>Total</b>	<b>5,286.8</b>	<b>5,623.2</b>	<b>-6.0%</b>

By activity type, civil engineering works in the portfolio represent 78% of the total, with a 3.1% increase after new contracts in the international area totalling 4.115 million euros. There was a significant decrease in building activity, mainly due to the above-mentioned adjustment in the international arena.

## 6.4. Cement

The Cement area contributed 12.8% of the FCC Group's EBITDA during this period. This activity was undertaken by the CPV Group, which focusses on the manufacturing cement and by-products, with 7 main production centres in Spain and 1 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 USA.

### 6.4.1. Earnings

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Turnover	281.7	315.8	-10.8%
<i>Cement</i>	253.9	286.8	-11.5%
<i>Other</i>	27.8	29.0	-4.1%
EBITDA	97.6	66.7	46.3%
<i>EBITDA Margin</i>	34.6%	21.1%	13.5 p.p
EBIT	72.7	39.9	82.2%
<i>EBIT margin</i>	25.8%	12.6%	13.2 p.p

Revenues for the area decreased by 10.8% to 281.7 million euros compared to September of the previous year, due to a decrease in volumes invoiced in local markets in Spain and Tunisia, mainly in the months of March and April, as a consequence of the lockdown measures applied during those months, as well as a drop in exports from both markets.

#### Breakdown of revenue by geographical area

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	177.6	190.3	-6.7%
Tunisia	39.8	41.0	-2.9%
Other (exports)	64.3	84.5	-23.9%
<b>Total</b>	<b>281.7</b>	<b>315.8</b>	<b>-10.8%</b>

In Spain, turnover fell by 6.7% to 177.6 million euros, due to a decrease in volumes as a result of a fall in demand in the construction market due to the lockdown measures decreed to combat the pandemic. All in all, in the third quarter in isolation, there was a recovery in activity compared to the same period in the previous year, with sales prices being maintained.

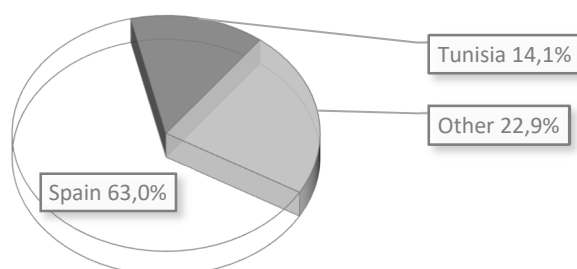
In the Tunisian local market, revenues fell by 2.9% to 39.8 million euros, where price increases and the appreciation of the Tunisian dinar were not able to offset the decrease in volumes. Similarly, a progressive improvement in activity levels was observed from the end of the first half of the business year.

Export earnings fell by 23.9% to 64.3 million euros due to a decrease in shipments made both from Spain and from Tunisia.

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### Breakdown of revenue by geographical area

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Gross operating profit increased 46.3%, totalling 97.6 million euros, which can be explained by a combination of two factors; firstly, the mild drop in volumes, already mentioned above and concentrated in the first half of the year, and secondly, the sale of CO2 rights that totalled 40.6 million euros in the period, compared to 5.6 million euros the previous year. Without taking this last component into account, Ebitda would have decreased by 6.7%, with a substantial improvement over previous periods in this business year.

The net operating profit stands at 72.7 million euros compared with 39.9 million euros for the previous business year, reflecting developments already commented on at the gross operating income level.

#### 6.4.2. Financial Debt

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Dec. 19</b>	<b>Chg. (Mn€)</b>
Net financial debt without recourse	228.3	293.0	(64.7)

Net financial debt, entirely without recourse to the Group's parent company, decreased by 64.7 million euros compared to December the previous year, totalling 228.3 million euros. The decrease corresponds almost entirely to the early partial repayment of the main credit facility for the area, such that it does not present any significant ordinary maturity before 2022.

## 6.5. Concessions

As a result of a sale agreement reached at the close of the third quarter and in accordance with accounting standards (IFRS 5), the assets and liabilities relating to the investees to be transferred from the concession activity have been classified as held for sale in the FCC Group's balance sheet. The consolidation method is maintained in the income statement in the same way, until the operation is closed and the shares transferred.

The Concessions area contributed 9.4% to the Group's EBITDA in the period. Its activities focussed on the development, operation and maintenance of transport and non-residential infrastructures. At the close of the third quarter, the Cedinsa subgroup maintained its contribution to turnover, which together with other smaller entities represents a total of 17 concessionary companies in the portfolio and with different degrees of participation.

### 6.5.1. Earnings

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Turnover	93.3	27.0	N/A
EBITDA	71.3	15.3	N/A
<i>EBITDA Margin</i>	<i>76.4%</i>	<i>56.9%</i>	<i>19.5 p.p</i>
EBIT	33.9	5.5	N/A
<i>EBIT margin</i>	<i>36.3%</i>	<i>20.4%</i>	<i>15.9 p.p</i>

The area's revenues totalled 93.3 million euros in the first nine months of the business year, compared to 27 million euros for previous business year. This variation is largely due to the contribution of the Cedinsa subgroup, after acquiring control of the majority of its capital in November last business year and incorporating it since then through global consolidation.

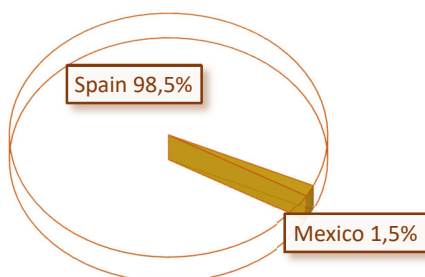
<b>Breakdown of revenue by geographical area</b>			
<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Sept. 19</b>	<b>Chg. (%)</b>
Spain	91.9	25.3	N/A
Mexico	1.4	1.7	-18.5%
<b>Total</b>	<b>93.3</b>	<b>27.0</b>	<b>246.2%</b>

By geographical area, practically all of it is concentrated in Spain, where revenues totalled 91.9 million euros, 75.8% of which was contributed by the Cedinsa subgroup. The concession for the Coatzacoalcos Tunnel in Mexico remains practically unchanged with regard to the same period for the previous business year, although its contribution reflects the depreciation effect of the Mexican peso during this period (-11.7%).

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### Breakdown of revenue by geographical area

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Gross operating income totalled 71.3 million euros with 80.9% corresponding to the Cedinsa concession group.

#### 6.5.2. Financial Debt

<i>(Millions of Euros)</i>	<b>Sept. 20</b>	<b>Dec. 19</b>	<b>Chg. (Mn€)</b>
<i>Net financial debt without recourse</i>	15.4	751.8	N/A

All of the area's net financial debt is project finance, with very long-term maturity and it is located within each of the companies that hold the corresponding concession rights. At the end of September, it had experienced a substantial reduction to 15.4 million euros compared to the balance at the end of 2019. This was due to the above-mentioned effect from the application of accounting regulations, which after the sale agreement reached by various concessionary companies led to the reclassification of its financial debt under the single epigraph of liabilities held for sale.



## 7. SHARE DATA

### 7.1. Stock market developments

	Jan. – Sept. 2020	Jan. – Sept. 2019
Closing price (€)*	8.13	10.52
Change in the period	-22.3%	-6.9%
Maximum (€)*	11.96	12.80
Minimum (€)*	7.17	10.44
Average daily trading (nº of shares)	87,415	48,097
Average daily trading (Million €)	0.8	0.6
Capitalisation at end of period (Million €)	3,326	4,127
No. of shares circulating at closure	409,106,618	392,264,826

\* Data adjusted for scrip dividend.

### 7.2. Dividends

The Company's Board of Directors resolved to execute the decision adopted at FCC's General Shareholders' Meeting on 2 June 2020, under item six on the Agenda, to distribute a scrip dividend. The main details of this scrip dividend were as follows: rights were traded on 8-22 June; a cash dividend of €0.40 gross per share was paid on 24 June to the shareholders who had requested it; a capital increase of 16,841,792 shares was registered with the Barcelona Mercantile Registry on 2 July, with the result that the company's capital was increased to 409,106,618 shares which were listed on 10 July.

### 7.3. Treasury stock

At 30 September 2020, the FCC Group owned, directly or indirectly, a total of 1,544,773 shares of FCC S.A. which meant that treasury stock occupied 0.378% of 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 customer 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. We include in backlog only amounts to which customers are obligated by 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 customers 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 customer.

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 price and schedule changes that are agreed with customers. 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 current financial assets.

## 8. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 30 September 2020, 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.

No liability whatsoever is assumed by the Company, its advisors or representatives, whether for negligence or otherwise, with respect to any loss or damage arising from any use whatsoever of this document or its contents.

This document does not constitute an offering or an invitation to acquire or subscribe shares in accordance with Act 24/1988, of 28 July, on the Securities Market, Royal Decree-Act 5/2005, of 11 March, and/or Royal Decree 1310/2005, of 4 November, and their implementing regulations. In addition, this document is neither an offer to buy nor a solicitation to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

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## 9. CONTACT DETAILS

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### **FINANCE AND ADMINISTRATION DIVISION**

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#### **CAPITAL MARKETS DEPARTMENT**

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