Inauguration of the yellow, green and purple lines (4, 5 and 6) of the Riyadh Metro | Saudi Arabia

FCC Construcción

Report Earnings 2024

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1. SIGNIFICANT EVENTS

FCC Environment strengthens its presence in the United States and Europe

As regards corporate operations performed during the year, FCC Environmental Services, the subsidiary of the environmental area operating in the United States, acquired Gel Recycling Holdings in May, one of the largest management companies for recyclable materials in central Florida. The acquisition also includes the addition of three construction and demolition debris recycling facilities. In June, the acquisition of the Urbaser Group's business in the United Kingdom, which consists mainly of recycling and waste treatment activities, went through. In August, the acquisition of the operating subsidiaries of Europe Services Groupe (ESG) in France was completed. The company operates in two of the most populated regions of the country (Ile-de-France and Rhône-Alpes), across several lines of business, including waste collection and street cleaning.

As regards the new contracts awarded in Spain, as part of the organic growth of the business, the following are worth particular mention:

- Renewal of the MSW, street cleaning and sewerage contract in Hospitalet worth 396 million euros, for a period of 10 years, during which a complete overhaul of the service fleet will be undertaken, employing dynamic formulas for activity levels and assets under coverage.
- Renewal and modernisation of the street cleaning system service in San Sebastián, with a backlog of 149.1 million euros over the next 10 years.
- New contract for waste collection, street cleaning and management of clean points in the city of Benalmádena, for a total of €82 million over the next 10 years.
- In relation to the Treatment business, the management of the Badajoz municipal solid waste (MSW) treatment plant (composting and recovery) for 15 years and an associated backlog amounting to €94.5 million.

In the USA:

- Sarasota County (Florida) awarded a new contract worth $750 million for MSW collection in the southern side of the county. The service will initially last for 7 years with two possible extensions of 7 and 6 years, respectively, which will begin in the first quarter of 2025. Staying in Florida, Clay County awarded the MSW collection service for a duration of 10 years plus two possible extensions of 5 years each. The total amount of the awarded portfolio, including extensions, amounts to $421 million.
- In May, in Saint Paul, Minnesota’s capital city, an MSW contract worth more than $115 million was awarded for a duration of seven years.
- In Buncombe County (North Carolina), the MSW collection contract is worth more than $100 million, lasting for an initial duration of seven years with a possible one-year extension.

These contracts entail increasing the population served in Florida by 780,000 people, in Minnesota by 300,000 and a further 175,000 in North Carolina, taking the population served globally by the Environment Area to almost 71 million people. In several cases, the services will be provided by new vehicles that run on compressed natural gas, as well as other fully electric vehicles, thus demonstrating FCC’s commitment to sustainability and the urban environment.

FCC Aqualia expands its international activity and consolidates its leadership position in Spain

FCC Aqualia increased its position in France with a variety of awards and extensions in towns and communities (Pithiverais-Gatinais, Goussainville, Thillay, Vaudherland, Andrésy, Chanteloup les Vignes, Conflans-Sainte Honorine, Ecquevilly and Triel sur Seine). When combined, the contracts provide over €88 million in backlog revenue. These awards are in addition to supply contract renewals achieved in previous periods that increase Aqualia's presence in France, where it already provides services to one million residents.

In Spain, the renovation of the supply and sewerage service in Mazarrón for a period of 15 years is worth particular mention. The contract is worth 133.7 million euros.

FCC Construction Australia will build the largest social housing complex in Queensland

FCC Construction Australia has been selected to build and deliver 490 social housing units in South Cairns, the largest affordable housing development in Queensland, Australia. The project is supported by the Queensland Government's A$2 billion Housing Investment Fund, an initiative that aims to support a total of 5,600 social housing units to be built across the state.

Elsewhere, the consortium headed up by FCC Construcción (60%) was chosen to build the new Oporto metro line, known as Rubi (H), for an attributable amount of €227.7 million. The new line will add 6.3 kilometres to the city's existing metro network. The joint venture in Spain in which FCC Construction holds an interest was awarded the contract for the underground construction of line R2 in Montcada i Reixac (Barcelona), as well as the construction of the new station in this town, for an attributable amount of €148.9 million.

In industry, two awards are worth particular mention; firstly, a consortium in which the company holds a 30% stake, received a backlog of more than €260 million for the construction of a storage and regasification plant in Stade (Germany); in addition, the consortium formed by FCC Industrial (28% holding), was awarded the roll out of the railway signalling and management service for the Murcia-Almería section of the Mediterranean Corridor in Spain, worth a total amount of €177 million.

It should be noted that in the second half of the year, the design and preliminary works phases for two important contracts were awarded (Fraser Tunnel in Canada and the Qiddiya stadium in Saudi Arabia), whose future construction would add a significant amount to the Area's revenue backlog.

FCC Concesiones expands its backlog and enhances its capital structure

In January 2024, FCC Concesiones was awarded Lot 8 of the Extraordinary Road Investment Plan for the Autonomous Region of Aragon. The concession contract has a term of 25 years with an initial investment of more than 40 million euros, with actions involving over 200 km of roads. The contract was signed in May and construction work began at the end of 2024.

In addition, in April, the acquisition, approved in December 2023, of all shares in the Parla Tram concession (Madrid), went through, with an operating deadline until 2045. The infrastructure spans 8.3 kilometres and 15 stations. This acquisition strengthens the position of FCC Concesiones in the high-capacity urban transport sector, adding to its tram operation in Murcia, Zaragoza and Barcelona.

Last December, the backlog and sources of financing were reorganised. As a result, capital was increased by more than €250 million, of which €102 million were allocated to the cancellation of bank debt, €52.1 million to the acquisition of intra-Group debt of the Murcia Tram and a further €49.1 million to financing the aforementioned road concession in Aragon.

The partial financial spin-off of FCC in favour of Inmocemento is now complete

On 16 May 2024, the Board of Directors of FCC S.A. announced the proposed partial financial spin-off of FCC, whereby it will transfer en bloc the Real Estate and Cement units to Inmocemento (a company wholly owned by FCC), without this entailing any extinction of the existing companies or units. More precisely, all the shares of FCYC, S.A. owned by FCC, representing 80.03% of its share capital, and the entirety of Cementos Portland Valderrivas, S.A. owned by FCC, representing 99.028% of its share capital, will be transferred. As a result, Inmocemento will acquire, by universal succession, all the assets, liabilities, rights, obligations and other items inherent to the spun-off assets. The proposal was approved by the General Shareholders' Meeting held on 27 June, with 99.9% of the votes of the attending capital voting in favour. The process was completed on 7 November, when the public deed for the spin-off was entered in the Companies Register and Inmocemento shares began trading on 12 November.

NOTE: DISCONTINUED OPERATIONS

The partial financial spin-off of the Real Estate and Cement units was completed last November. As a result, all assets and liabilities were withdrawn from the consolidated balance sheet at the start of that month. Likewise, all profit/(loss) since the start of 2024 and until that date were included under "*Profit/(loss) from discontinued operations*" (see Note 4.5).

In view of the changes, the income statement and the statement of cash flows for 2023 have been restated in the same way to ensure a more reliable comparison.

2. EXECUTIVE SUMMARY

KEY FIGURES

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Revenue	9,071.4	8,217.3	10.4%
Gross operating profit (EBITDA)	1,435.3	1,285.2	11.7%
EBITDA margin	15.8%	15.6%	*0.2 p.p*
Net operating profit (EBIT)	725.4	725.9	-0.1%
EBIT margin	*8.0%*	*8.8%*	*-0.8 p.p*
Income attributable to the parent company	429.9	589.1	-27.0%
Equity	3,736.0	6,142.5	-39.2%
Net financial debt	2,990.4	3,100.1	-3.5%
Backlog	43,043.8	41,485.0	3.8%

In 2024, the revenue recognised by the FCC Group was up 10.4% to €9,071.4 million. This was due to increased activity across all business areas, with the most significant growth rates and contributions coming from Concessions and the contribution made by Environment and Water, supported by the entry of new contracts and acquisitions made (in Europe and the USA).

Gross operating profit (EBITDA) came to €1,435.3 million in the period, up 11.7%. This improvement reflects the increase in revenue and the stability of operating margins, also helped by the more significant weight of the Concessions Area. The operating margin thus came to 15.8% of turnover.

In turn, attributable net profit dropped by 27% to €429.9 million. This change is attributed to different factors, including the increase in provisions set aside and a reduction in contribution of profit/(loss) recognised under the equity method, both in the Environment area; however, it is particularly attributable to the 48.5% drop in profit/(loss) generated by discontinued activities, including the contribution, in both years, of the business areas that were spun off and excluded from the FCC Group in November 2024.

Net financial debt at the end of year stood at €2,990.4 million, down by 3.5% compared to December 2023. This drop can largely be attributed to two factors: (i) the increase in net payments for investments, up to €1,295.4 million, with particular mention of the Environment unit (with the inclusion in consolidation of the debt incurred on the acquisition and operations of UK Urbaser for €535.1 million, ESG in France for €107.4 million and GEL Recycling for €29.5 million) and the Water unit (including the purchase of MDS for €81.9 million in the USA) and (ii) the exclusion of financial debt concerning the spun-off areas.

In turn, equity came to €3,736 million, down by 39.2% compared to December 2023, mainly on account of the financial spin-off mentioned above, which involved the delivery of all net assets belonging to the Real Estate and Cement units to FCC shareholders last November.

3. SUMMARY BY BUSINESS AREA

(million euros)

Area	Dec. 24	Dec. 23	Chg. (%)	% of 24 total	% of 23 total
REVENUE BY BUSINESS AREA					
Environment	4,346.3	3,853.2	12.8%	47.9%	46.9%
Water	1,674.7	1,487.4	12.6%	18.5%	18.1%
Construction	2,991.3	2,823.1	6.0%	33.0%	34.4%
Concessions	77.8	61.6	26.3%	0.9%	0.7%
Corporate serv.	(18.7)	(8.0)	133.7%	-0.2%	-0.1%
Total	**9,071.4**	**8,217.3**	**10.4%**	**100.0%**	**100.0%**
REVENUE BY GEOGRAPHICAL AREA					
Spain	4,468.0	4,161.9	7.4%	49.3%	50.6%
Rest of Europe	1,295.0	1,010.4	28.2%	14.2%	12.3%
Americas	1,261.7	1,266.2	-0.4%	13.9%	15.4%
United Kingdom	1,185.2	1,028.6	15.2%	13.1%	12.5%
Czech Republic	435.1	413.7	5.2%	4.8%	5.0%
Middle East, Africa and Australia	426.4	336.5	26.7%	4.7%	4.1%
Total	**9,071.4**	**8,217.3**	**10.4%**	**100.0%**	**100.0%**
EBITDA*					
Environment	731.6	646.7	13.1%	51.0%	50.3%
Water	425.4	384.3	10.7%	29.6%	29.9%
Construction	169.7	169.4	0.2%	11.8%	13.2%
Concessions	55.4	45.7	21.2%	3.9%	3.6%
Corporate serv.	53.2	39.1	36.1%	3.7%	3.0%
Total	**1,435.3**	**1,285.2**	**11.7%**	**100.0%**	**100.0%**
NET OPERATING PROFIT (EBIT)					
Environment	243.4	334.1	-27.1%	33.6%	46.0%
Water	242.2	216.3	12.0%	33.4%	29.8%
Construction	123.3	118.4	4.1%	17.0%	16.3%
Concessions	79.3	95.0	-16.5%	10.9%	13.1%
Corporate serv.	37.2	(37.9)	N/A	5.1%	-5.2%
Total	**725.4**	**725.9**	**-0.1%**	**100.0%**	**100.0%**
NET FINANCIAL DEBT*					
Corporate	(1,061.5)	(1,233.1)	-13.9%	-35.5%	-39.8%
Areas – Without recourse					
Environment	2,263.4	1,424.7	58.9%	75.7%	46.0%
Water	1,788.5	1,665.8	7.4%	59.8%	53.7%
Concessions	0.0	74.3	-100.0%	0.0%	2.4%
Cement	-	131.4	N/A	N/A	4.2%
Real Estate	-	1,037.0	N/A	N/A	33.5%
Total	**2,990.4**	**3,100.1**	**-3.5%**	**100.0%**	**100.0%**
BACKLOG*					
Environment	14,110.4	13,328.4	5.9%	32.8%	32.1%
Water	22,565.0	21,730.7	3.8%	52.4%	52.4%
Construction	6,368.4	6,425.9	-0.9%	14.8%	15.5%
Total	**43,043.8**	**41,485.0**	**3.8%**	**100.0%**	**100.0%**

** See page 26 for a definition of the calculation in accordance with ESMA Guidelines (2015/1415en).*

4. INCOME STATEMENT

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Revenue	**9,071.4**	**8,217.3**	**10.4%**
Gross Operating Profit (EBITDA)	**1,435.3**	**1,285.2**	**11.7%**
EBITDA margin	*15.8%*	*15.6%*	*0.2 p.p*
Provision for amortisation of fixed and non-current assets	(644.6)	(565.6)	14.0%
Other operating income	(65.3)	6.3	N/A
Net Operating Profit (EBIT)	**725.4**	**725.9**	**-0.1%**
EBIT margin	*8.0%*	*8.8%*	*-0.8 p.p*
Financial income/(expense)	(182.1)	(118.7)	53.4%
Other financial profit/(loss)	28.1	(17.5)	N/A
P/L of companies accounted for by the equity method	13.2	42.4	-68.9%
Profit/(loss) before tax from continuing activities	**584.6**	**632.1**	**-7.5%**
Company tax on profits	(153.1)	(154.0)	-0.6%
Income from continuing operations	**431.5**	**478.1**	**-9.7%**
Profit/(loss) from discontinued operations	136.1	264.1	-48.5%
Net Income	**567.6**	**742.2**	**-23.5%**
Non-controlling interests	(137.7)	(153.1)	-10.1%
Income attributable to the parent company	**429.9**	**589.1**	**-27.0%**

4.1 Net Revenue

Consolidated revenues grew by 10.4% compared to the previous year, reaching €9,071.4 million. The trend is one of sustained growth throughout the year, where the contribution rate at the Environment, Water and Concessions units was a particular highlight, thanks to organic growth and acquisitions, both posting double digit growth.

The performance was as follows at each business area:

The Environment unit saw an increase of 12.8%, in part thanks to the acquisitions in the United Kingdom, France and the United States. In addition, growth in all jurisdictions was highlighted by new contracts in Spain, both in the waste treatment and collection and street cleaning activities, as well as in the United States, Poland and Portugal.

Revenues at the Water area were up 12.6%, mainly due to the strong performance of integrated water cycle management activity, supported by the entry into the perimeter of the new acquisition of the MDS group in Texas, as well as the effect of tariff updates. Only the technology and networks activity —which tends to involve projects involving networks in integrated cycle operations— is separate from this growing trend.

In Construction, revenue was up by 6%, thanks to the continued strong pace at which new projects are implemented, in particular in Industrial Construction, combined with the increase in the implementation of other projects in progress in various EU countries and the USA as well as Canada, offsetting the drop in work completed in Latin America.

Finally, in the Concessions unit, revenues was up by 26.3%, thanks to the inclusion of the Parla Tram concession into full consolidation in April and the Aragon road concession at the end of the year, combined with the increase in user traffic, in particular on the urban tram lines in operation.

Revenue breakdown by geographical area			
(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	4,468.0	4,161.9	7.4%
Rest of Europe and other	1,295.0	1,010.4	28.2%
America	1,261.7	1,266.2	-0.4%
United Kingdom	1,185.2	1,028.6	15.2%
Czech Republic	435.1	413.7	5.2%
Middle East, Africa and Australia	426.4	336.5	26.7%
Total	**9,071.4**	**8,217.3**	**10.4%**

By geographic area and contribution, *Spain* saw an increase in its revenues of 7.4%, to €4.468 million. The double-digit increase in the Concessions unit is worth particular mention, as a result of the asset additions already mentioned, followed by the Environment unit. In the Environment unit, revenues rose by 9.8%, amid increased activity in waste treatment and collection together with street cleaning. Meanwhile, Water posted a 2.7% increase in revenues, thanks to a sustained increase in tariffs together with a slight increase in consumption, more noticeable in the non-residential market, which offset the slump in Technology and Networks activity, with lower works related to assets under management and integral cycle concession contracts. At the Construction unit, there was a 5.7% increase, largely in projects for public and private customers, which offset the completion of relevant non-residential construction projects for private customers.

Rest of Europe and Other reported €1.295 million, showing remarkable growth of 28.2%, largely due to higher revenues from construction contracts in Germany, Norway and Portugal, together with increased activity in all the European countries in which Environment operates and in the integrated water cycle in Georgia and France.

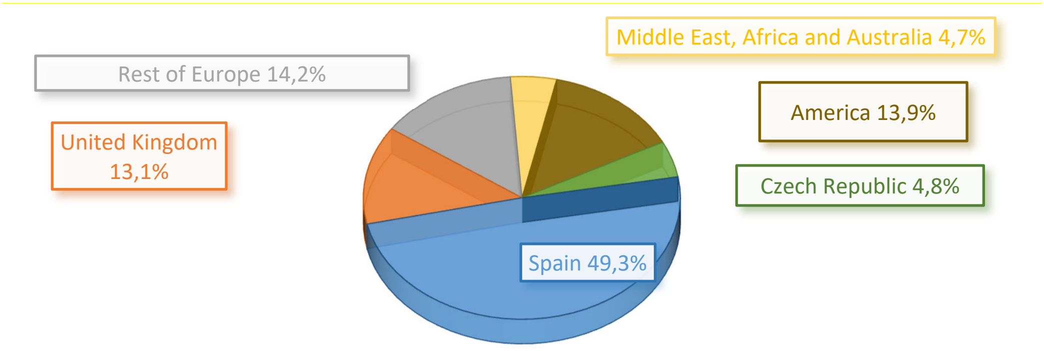
Revenue in *America* dropped slightly by 0.4% to €1,261.7 million, on account of the impact of the termination of a relevant railway contract in Mexico at the Construction unit, which was partially offset by new contracts on which work began in the US and Canada in the same unit. At the Water unit, revenue was supported by operations launched in the USA, along with an increase in activity in Colombia in the management of the integrated water cycle. In turn, the Environment unit maintained sustained growth in contracts for the municipal waste collection and treatment in the USA, enhanced by the acquisition made by the Treatment unit (Florida).

In the *United Kingdom* revenue experienced growth of 15.2% to €1,185.2 million, mostly at the Environment unit, following the business acquisition carried out midway through the year, focussed on recycling activities and recovery plants. Revenue growth was tempered by a drop in organic processing and waste disposal activity.

The *Czech Republic* experienced growth of 5.2% to €435.1 million, with growth in both Water and Environment units; this was achieved despite the negative impact of the exchange rate of the Czech koruna (-4.4% in the period). In the Water unit, the increase was explained to a large extent by the tariff update. The Environment area followed a similar growth path, following an improvement in sales prices.

in the Middle East, Africa and Australia, activity increased by 26.7% to €426.4 million, largely due to the higher contribution in Saudi Arabia, due to both the Neom construction project, and the increase in activity at Water in concessions and assets under management, accompanied by the other projects located in North Africa and the Arabian Peninsula.

% revenue by geographical area



4.2 Gross Operating Profit (EBITDA)

The Gross Operating Result amounted to 1,435.3 million euros, which represents an increase of 11.7% compared to the previous year. This equates to a margin of 15.8%, slightly up year on year. This can largely be attributed to the income recognised in the different activity areas and as a whole, it reflects a slight increase in the weight and profitability of Concessions and Water, respectively.

By business area, the most noteworthy developments have been:

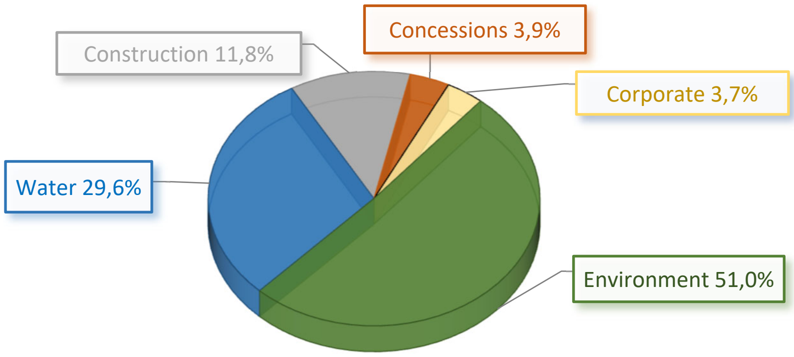
At Environment, earnings were up 13.1% to €731.6 million. This is attributable to the increase in contribution across all geographies and activities, strengthened by the acquisitions made in the United Kingdom, France and the United States. This effect has only been tempered by the impact of lower energy sales prices at recovery plants and operating provisions made in the United Kingdom in the landfill business.

Water reported €425.4 million, up 10.7% on the previous year, supported by the trend in revenues mentioned above, which includes, in very similar proportions, the increase in the contribution of the integrated cycle activity, thanks to tariff increases, together with the acquisition of MDS in the United States in January.

In the Construction area, gross operating result increased by 0.2% to €169.7 million. This slight increase can be attributed to the average margin of different projects under development in different geographic areas, with the operating margin standing at 5.7% during the period and in line with the forecast for the year.

The Concessions unit includes the contribution of the Parla Tram since 30 April. As a result, its EBITDA came to €55.4 million, up by 21.2% compared to 2023, supported by the increase in registered traffic; its operating margin thus came to 71.1% during the year.

% EBITDA by Business Area



The utilities areas at the Environment, Water and Concessions units accounted for a very significant 84.5% of total operating income during the year.

4.3 Net Operating Profit (EBIT)

Net operating profit amounted to €725.4 million, similar to the previous year. This performance reflects, in addition to the EBITDA mentioned above, two main effects: (i) the impact generated on the Concessions area by the incorporation of the Parla Tram, for the sum of €41.2 million and especially (ii) the provision of guarantees and contractual or legal obligations for €80.9 million in the Environment area in the United Kingdom.

4.4 Earnings before Taxes (EBT) from continuing operations

Earnings before taxes from continuing operations came to €584.6 million, down 7.5% on the previous year. This performance can be attributed, in addition to the change in operating revenues, the drop in the contribution of profit from companies accounted for using the equity method and the increase in volume of financial expenses associated with the investments made and the impact of the increase in interest rates in previous years.

Thus, the performance was as follows for the various components:

4.4.1 Financial income/(expense)

Net financial income/(expense) came to €-182.1 million, compared to €-118.7 million in the previous year, with this increase coming in response to a higher average borrowing costs amid the general rise in interest rates.

4.4.2 Other financial profit/(loss)

This heading includes a total of €28.1 million, versus €-17.5 million in 2023. The difference is largely due to the change in fair value of financial instruments, which had an impact of €35.2 million during this period, compared to €-0.1 million in the previous year.

4.4.3 Profits/(losses) of companies accounted for by the equity method

Investee companies contributed a combined total of €13.2 million, compared to €42.4 million in the previous year. The drop in contribution is largely due to the fact that the Environment unit recognised an impairment due to the delay and increase in investment in a treatment plant in progress in the United Kingdom, for the sum of €48.1 million. In turn, in 2023, profit of €17.7 million was recognised on the sale of a subsidiary in the Construction area.

4.5 Profit/(loss) from discontinued operations

This heading includes the profit/(loss) corresponding to the series of companies classified as such up until the date of completion of the financial spin-off completed during the final quarter of the year.

Profit/(loss) on discontinued operations came to €136.1 million during the period, compared to €264.1 million in 2023, down by 48.5%, largely due to the base effect on real-estate activity, which included a positive contribution of €142.4 million in the previous year from the accounting reclassification of financial investments to the equity method of an investee in the Real Estate Area.

4.6 Income attributable to the parent company

Attributable net income for the year reached €429.9 million, 27% down year-on-year. This performance is largely due to what has already been discussed in relation to profit/(loss) from discontinued operations. This is in addition to a decrease in earnings attributable to non-controlling shareholders, mostly distributed between the Water and Environment areas, which amounted to €137.7 million compared to €153.1 million in the previous year.

5. BALANCE SHEET

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Intangible fixed and non-current assets	2,645.0	2,477.0	168.0
Property, plant and equipment	3,771.5	3,838.3	(66.8)
Real Estate investments	3.9	2,091.3	(2,087.4)
Investments accounted for using the equity method	520.7	1,034.3	(513.6)
Non-current financial assets	1,070.8	748.4	322.4
Deferred tax assets and other non-current assets	499.9	468.3	31.6
Non-current assets	**8,511.8**	**10,657.6**	**(2,145.8)**
Inventory	423.7	1,234.3	(810.6)
Trade and other receivables	3,194.2	2,957.4	236.8
Other current financial assets	256.7	260.5	(3.8)
Cash and cash equivalents	1,849.6	1,609.7	239.9
Current assets	**5,724.2**	**6,062.0**	**(337.8)**
TOTAL ASSETS	**14,236.0**	**16,719.7**	**(2,483.7)**
Equity attributable to shareholders of the parent company	2,732.7	4,447.5	(1,714.8)
Non-controlling interests	1,003.3	1,695.0	(691.7)
Equity	**3,736.0**	**6,142.5**	**(2,406.5)**
Subsidies	243.4	226.6	16.8
Non-current provisions	1,085.4	1,230.6	(145.2)
Long-term financial debt	4,770.9	4,361.0	409.9
Other non-current financial liabilities	453.7	456.0	(2.3)
Deferred tax liabilities and other non-current liabilities	417.7	439.5	(21.8)
Non-current liabilities	**6,971.1**	**6,713.8**	**257.3**
Current provisions	275.1	159.6	115.5
Short-term financial debt	325.7	604.1	(278.4)
Other current financial liabilities	201.2	322.7	(121.5)
Trade and other payables	2,726.9	2,777.0	(50.1)
Current liabilities	**3,528.9**	**3,863.4**	**(334.5)**
TOTAL LIABILITIES	**14,236.0**	**16,719.7**	**(2,483.7)**

5.1 Property, plant and equipment, intangible assets and real estate investments

Operating fixed and non-current assets contracted by 23.6% to €6,420.4 million. This reduction can be attributed to the exclusion of investment property and property, plant and equipment associated with the Real Estate and Cement area following its spin-off. In the case of property, plant and equipment, the decrease was almost entirely offset by the assets incorporated, mainly in the Environment area.

5.2 Investments accounted for using the equity method

The heading of investments accounted for by the equity method came to €520.7 million, compared to €1,034.3 million the previous year. This significant drop can be attributed to the exclusion of the Real Estate and Cement areas as a result of the financial spin-off explained above. The breakdown of investments by area of activity as at December 2024 is as follows:

1) 275.1 million euros for the stake in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
2) 143.5 million euros for the stake in transport and public infrastructure concessions, mainly in Spain, Peru and the United Kingdom.
3) 63.7 million euros for stakes held in companies in the Water area, largely concessionary companies that manage services abroad (North Africa, Spain and Mexico).
4) 38.4 million euros in investees in the Construction area located abroad.

5.3 Non-current financial assets

Non-current financial assets saw significant growth of 43.1% to €1,070.8 million. This increase is mainly attributed to the acquisition and consolidation of the Urbaser Group in the United Kingdom, which has generated a substantial increase in collection rights associated with the concession agreements in the Environment area. This item also includes financial credits granted to third parties, deposits and guarantees provided on a long-term basis.

5.4 Cash and cash equivalents

Cash and cash equivalents amounted to €1,849.6 million at December 2024, €239.9 million more than at year-end the previous year. This balance can be distributed as follows:

1) In the perimeter with recourse, cash and equivalents totalled 973.5 million euros.
2) In the perimeter without recourse, cash and equivalents amounted to 876.1 million euros.

5.5 Equity

Equity at the end of the period came to €3,736 million, compared to €6,142.5 million the previous year. This decrease was mainly attributable to the spin off of the Cement and Real Estate activities described above.

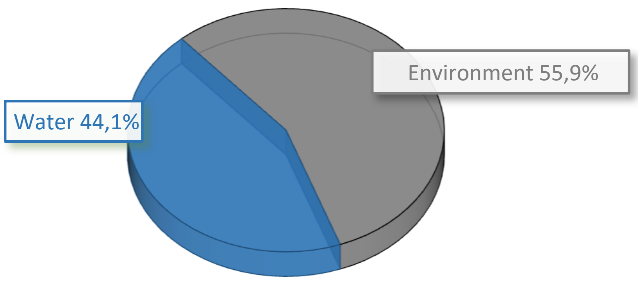
5.6 Financial debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Bank borrowings	2,096.8	2,710.0	(613.2)
Debt instruments and other loans	2,835.7	2,107.0	728.7
Finance lease payables	7.0	14.0	(7.0)
Other financial liabilities	157.1	134.1	23.0
Gross Financial Debt	**5,096.6**	**4,965.1**	**131.5**
Treasury and other current financial assets	(2,106.3)	(1,865.0)	(241.3)
Net Financial Debt	**2,990.4**	**3,100.1**	**(109.7)**
Net financial debt with recourse	*(1,061.5)*	*(901.7)*	*(159.8)*
Net financial debt without recourse	*4,051.9*	*4,001.8*	*50.1*

The Group's gross financial debt increased by €131.5 million compared to December of the previous year, coming to €5,096.6 million. Most of this figure, 93.6%, matured in the long term and can be distributed between bank debt (44.4%) and capital markets (55.6%). The remaining 6.4% matures in the short term, also distributed between bank debt and commercial paper in the Environment Area.

As regards net financial debt, this dropped by €109.7 million, to €2,990.4 million, 3.5% down on the previous year. This reduction can be attributed to the combination of the exclusion of debts associated with the spun-off business areas and the increase in investments made, primarily in the Environment Area.

Breakdown of Net Financial Debt without recourse by Business Area



Net financial debt, without recourse in its entirely, is distributed between the Water and Environment areas, structured as follows:

(i) the Environment area accounts for €2,263.4 million, of which three bonds issued by the area's parent company are worth particular mention, for a nominal amount of €1,700 million, with €375.5 million corresponding to the activity and acquisition made in the United Kingdom and €99.5 million to investments in the USA; (ii) the Water area is responsible for €1,788.5 million, mainly in the form of a long-term syndicated loan for the sum of €1,100 million, a corporate bond in relation to the area's parent company for a nominal amount of €650 million and another bond affecting its subsidiary in Georgia for the amount of $300 million.

As a result, the Group's parent company had a net cash position with recourse of €1,061.5 million at the end of the year.

5.7 Other current and non-current financial liabilities

The other current and non-current financial liabilities heading totals 654.9 million euros at the end of the business year. The balance mainly includes the item suppliers of fixed and non-current assets for operating leases, amounting to 461.9 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. CASH FLOWS

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Gross Operating Profit (EBITDA)	**1,435.3**	**1,285.2**	**11.7%**
(Increase)/decrease in working capital	(176.9)	(701.8)	-74.8%
Corporation tax (paid)/received	(198.7)	(97.3)	104.2%
Other operating cash flow	218.2	299.3	-27.1%
Operating cash flow	**1,277.9**	**785.4**	62.7%
Investment payments	(1,608.0)	(864.8)	85.9%
Divestment receipts	53.6	35.8	49.7%
Other investment cash flows	259.0	(133.4)	N/A
Investment cash flow	**(1,295.4)**	**(962.4)**	**34.6%**
Interest paid	(205.3)	(149.4)	37.4%
(Payment)/receipt of financial liabilities	579.8	(71.7)	N/A
Other financing cash flow	(139.8)	431.4	-132.4%
Financing cash flow	**234.7**	**210.3**	**11.6%**
Exchange differences, change in consolidation scope, etc.	22.6	1.0	N/A
Increase/(decrease) in cash and cash equivalents	**239.9**	**34.2**	**N/A**

6.1 Operating cash flow

The operating cash flow generated in the year amounted to €1,277.9 million, €492.5 million up on the previous year. This can mainly be attributed to a drop in investment in operating working capital, mainly in the Construction area and to a lesser extent in the Environment area, which entailed the use of funds of €176.9 million, compared to €701.8 million the previous year.

"Collections/(payment) of corporation tax" features an outflow of €198.7 million, €101.4 million up on 2023, a year in which a positive adjustment to corporate tax corresponding to 2022 was made, in addition to a higher amount payable in the Construction area this year.

In turn, "Other operating cash flows" has an inflow of €218.2 million and includes operating cash generated up to October from the two areas of spun off activity (Real Estate and Cement).

6.2 Investment cash flow

Investment cash flow increased significantly in 2024, with a total use of €1,295.4 million, 34.6% up on the previous year. Investment payments increased to €1,608 million. This growth can mainly be attributed to the Environment area, with a particular emphasis on the purchase of Urbaser UK (€265.1 million), ESG in France (€107.4 million) and Gel Recycling in the USA (€29.5 million). Also worth note is the acquisition of MDS in Texas, USA by the Water Area for the sum of €81.9 million. Other investment flows feature an inflow of €259 million compared to an outflow of €133.4 million the previous year, with the inflow of liquidity from companies acquired during the period (UK Urbaser, GEL Recycling, ESG and Tranvía de Parla), as well as the impact on cash of the dissolution of balances held with the areas of activity financially spun off.
During this period, as was the case in the previous year, there were no significant divestments.

The breakdown of net investments by business area, excluding other cash flows from investment activities, in terms of payments and collections, is as follows:

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Environment	(1,022.8)	(531.8)	(491.0)
Water	(311.1)	(241.6)	(69.5)
Construction	(51.5)	(47.1)	(4.4)
Concessions	168.3	86.3	82.0
Corporate serv. & adjustments	(169.0)	(8.5)	(160.5)
Net investments *(Payments - Collections)*	**(1,554.4)**	**(829.0)**	**(725.4)**

6.3 Financing cash flow

The financing cash flow features an inflow of €234.7 million, 11.6% up on the previous year. "Interest payment" includes an outflow of €205.3 million, compared to €149.4 million the previous year, due to an increase financing costs and distributed between the Environment and Water Areas. "Proceeds from/(payments on) financial liabilities" features an inflow of €579.8 million compared to the outflow of €71.7 million in the previous year, with the issue of a bond in the Environment Area for €600 million euros and another in Georgia, in the Water Area, for $300 million worth particular mention.

"Other financing flows" contains an outflow of €139.8 million in this business year, which mainly includes dividend payments to shareholders for the sum of €121.8 million. In 2023, the most relevant events included in this heading included, the sale of a minority holding in the parent company of the Environment Area, for the sum of €965 million and, in the opposite direction, the payment for the takeover bid made by the parent of the Group for 4.502% of its capital stock, with an outflow of €257 million, combined with other capital acquisitions in subsidiaries for more than €117 million.

6.4 Change in cash and cash equivalents

As a result of the evolution of the different cash flow components, the FCC Group's treasury position closed the 2024 financial year with an increase of €239.9 million, to a balance of €1,849.6 million.

7. ANALYSIS BY BUSINESS AREA

7.1. Environment

The Environment area contributed 51% of the Group's EBITDA in the 2024 business year. Around 82% of its activity focused on the provision of essential waste collection, treatment and disposal services, as well as street cleaning. The remaining 18% corresponded to other types of urban environmental activities, such as the conservation of green areas or sewage systems.

In Spain it provides services in more than 3,700 municipalities and serves a population of more than 33 million inhabitants. It is worth mentioning the important weight of the urban waste management and street cleaning services. In the UK, it focuses on urban waste treatment, recovery and disposal activities and serves more than 16 million people. In central Europe, mainly Austria and the Czech Republic, it is present throughout the entire waste management chain (collection, treatment and disposal). The activity in the US is carried out both in the collection and in the comprehensive recovery of urban waste and serves more than 11 million inhabitants. The FCC Group has been running its environmental business for more than 120 years, serving almost 71 million people across 5,400 municipalities around the world.

7.1.1. Earnings

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	4,346.3	3,853.2	12.8%
Waste collection and street cleaning	*2,122.9*	*1,938.6*	*9.5%*
Waste processing	*1,441.3*	*1,142.6*	*26.1%*
Other services	*782.1*	*772.0*	*1.3%*
EBITDA	731.6	646.7	13.1%
EBITDA margin	16.8%	16.8%	*0.0 p.p*
EBIT	243.4	334.1	-27.1%
EBIT margin	5.6%	8.7%	*-3.1 p.p*

Revenues at the Environment Area increased by 12.8% to €4,346.3 million. Waste collection and street cleaning activities recognised income of €2,122.9 million, up by 9.5%, due in particular to the increase in contribution in Spain and new contracts added in France following the purchase of ESG's operating subsidiaries and in the USA. Waste treatment activity saw significant growth of 26.1% to €1,441.3 million, attributable to the increase in the contribution of treatment plants in Spain and the consolidation of UK Urbaser contracts in the United Kingdom, following its purchase last June. Other services remained at similar levels to the previous year.

Breakdown of revenue by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	2,291.3	2,086.3	9.8%
United Kingdom	923.6	778.7	18.6%
Central Europe	654.5	607.0	7.8%
United States	384.1	351.5	9.3%
France and Portugal	92.8	29.7	N/A
Total	**4,346.3**	**3,853.2**	**12.8%**

By geographical areas, turnover in Spain grew by 9.8% year-on-year, to €2,291.3 million. This positive performance can mainly be attributed to the incorporation of new contracts for waste collection and street cleaning activities, as well as progress made with the construction of the waste treatment plants in Las

Calandrias, Jerez de la Frontera, and Valladolid. There was also an increase in the contribution made by the environmental complex in Loeches, Madrid.

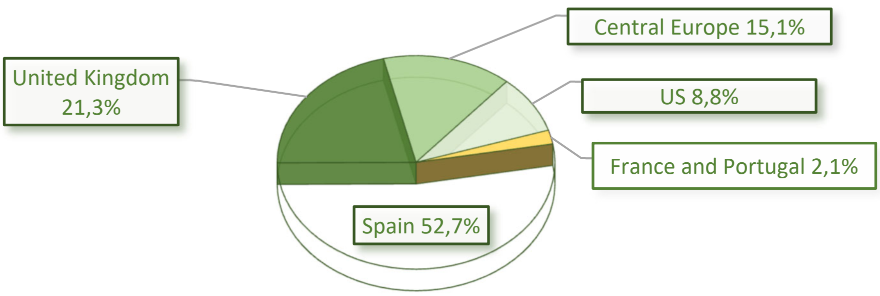
In the United Kingdom, revenues grew by 18.6% to €923.6 million, driven by the consolidation of UK Urbaser and the increase in recycling activity, which have offset the decrease in the collection of the landfill tax. Recovery activity remained at similar levels to the previous year.

In Central Europe, revenues increased by 7.8% to €654.5 million, with a strong performance in all geographies in which the area operates, with greatest growth in the Czech Republic, on account of the increase in prices for municipal collection and secondary materials, followed by Poland on account of the improvement in municipal collection.

Lastly, revenue in the United States came to €384.1 million, 9.3% up on the previous year, with new residential waste collection contracts performing well, mainly in Florida; this was in addition to the contribution of Gel Recycling Holdings, a company dedicated to the management of recyclable materials in central Florida and acquired at the end of May.

Finally, sales in France and Portugal came to €92.8 million compared to €29.7 million the previous year. This significant increase can mainly be attributed to the consolidation of ESG in France, which was acquired last August. Although to a lesser extent, Portugal also contributed positively during the year.

Breakdown of revenue by geographical area



Gross operating earnings (EBITDA) increased by 13.1% to €731.6 million, on account of the increase in revenues in all geographies; worth particular mention was the improvement in treatment activity in Spain and the contributions made by new contracts in the United Kingdom, France and the USA. This positive result was tempered by the provisions set aside for the sum of €10.9 million relating to a claim of the landfill tax collected on behalf of the public authorities in the United Kingdom. As a result, the operating margin stood at 16.8%, the same as the previous year.

Net operating result (EBIT) was down 27.1% compared to the previous year, to €243.4 million, on account of the increase in the provision for the depreciation of the largest items of PP&E in operation and linked to acquisitions made during the period in addition to the increase in provisions made in the United Kingdom.

Breakdown of backlog by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	8,501.3	8,390.6	1.3%
International	5,609.1	4,937.8	13.6%
Total	**14,110.4**	**13,328.4**	**5.9%**

At the end of the year, the backlog amounted to €14,110.4 million, 5.9% up on December 2023. The international area experienced greatest growth, up by 13.6% to €5,609.1 million, both on account of the new contracts incorporated following the acquisition of Urbaser UK, the acquisition in France and the new contracts in the USA. Spain, which accounts for 60.2% of the total backlog, maintained similar levels to the previous year, coming to €8,501.3 million.

7.1.2. Financial Debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Net Financial Debt	2,263.4	1,424.7	838.7

Net financial debt increased by €838.7 million compared to December 2023 to €2,263.4 million. During the year, a bond was issued by the parent company of the area for €600 million to strengthen and orient the financing structure for the increased investment in acquisitions and new contracts obtained, mainly in the international area.

7.2. Water

The Water area contributed 29.6% of FCC Group's EBITDA in the year. 92% of its activity is focused on public service concession and asset management related to the end-to-end water cycle (collection, treatment, storage, distribution and recovery) and the operation and maintenance of different types of water infrastructures; the remaining 8% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, related in the large part to the development of new concessions and maintenance and improvement works for operations.

In Spain, the area serves more than 13 million inhabitants. In Central and Eastern Europe, it is mainly present in the Czech Republic and Georgia, serving close to 3 million users across the two countries; in other EU countries, its presence in France, Italy and Portugal is worth particular mention. In Latin America, the Middle East, and Africa its activity centres on the design, equipping, and operation of hydraulic infrastructures and processing plants. Overall, the Water area provides supply and/or sanitation services to more than 45 million inhabitants.

7.2.1 Earnings

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	1,674.7	1,487.4	12.6%
Cycle Management and Services	*1,540.0*	*1,343.7*	14.6%
Technology and Networks	*134.7*	*143.7*	-6.3%
EBITDA	425.4	384.3	10.7%
EBITDA margin	25.4%	25.8%	*-0.4 p.p*
EBIT	242.2	216.3	12.0%
EBIT margin	14.5%	14.5%	*0.0 p.p*

Revenue at the end of the year increased by 12.6% year on year to €1,674.7 million. Starting in January, the contribution made by the consolidation of American company MDS based in Houston (Texas) in Management activity to the comprehensive cycle and Services is worth particular mention, as is the important tariff updates as regards operations in Georgia and the Czech Republic. There was a decline of 6.3% in Technology and Networks activity due to lower activity in Spain.

Breakdown of revenue by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	944.3	919.2	2.7%
Central and Eastern Europe	254.8	232.7	9.5%
America	195.8	91.4	114.2%
Middle East and Africa	167.6	134.6	24.5%
Rest of Europe (France, Portugal and Italy)	112.2	109.5	2.5%
Total	**1,674.7**	**1,487.4**	**12.6%**

By geographical area, revenues in Spain increased by 2.7% to €944.3 million, catalysed mainly by the increase in tariffs and the slight growth in consumption in integrated cycle activity. However, the restrictions imposed as a result of the drought in Catalonia and Andalusia, as well as the drop in Technology and Networks works on account of the investment plans associated with concession agreements, have tempered this growth.

In Central and Eastern Europe, sales increased by 9.5% to €254.8 million, largely on account of the significant increase in tariffs in the integrated cycle management in the Czech Republic and Georgia, despite the unfavourable exchange rate performance of the Czech crown and the Georgian lari during the period (-4.4%

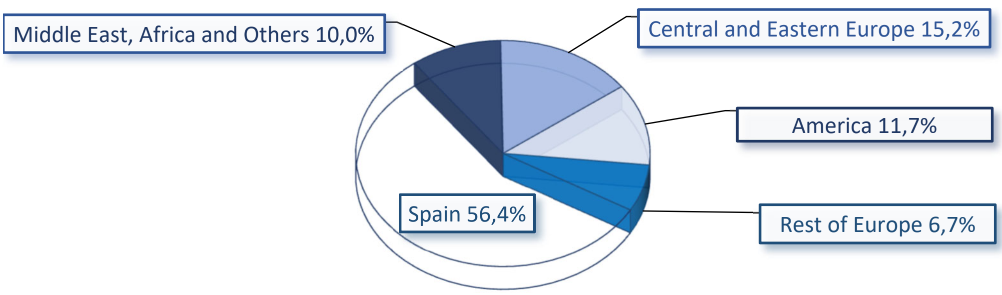
and -3.7%, respectively). Technology and Networks activity performed in the opposite direction following the completion of the WWTP project in Glina, Romania.

Revenues in the rest of Europe increased by 2.5% to €112.2 million, catalysed by new contracts in France and tariff increases in Portugal. These results offset the fall in consumption in Italy as a result of restrictions imposed no account of the severe drought and drop in infrastructure work at the concession in Caltanissetta, Sicily.

In America, revenue grew significantly, to €195.8 million, €104.4 million up on the previous year, mainly due to the contribution made by the acquisition of MDS in Texas in January. Added to this is the greater contribution of integrated cycle contracts in Colombia. Technology and Networks activity also experienced growth, thanks to the construction of water infrastructure in Mexico.

In the Middle East and Africa, turnover increased by 24.5% to €167.6 million, due to increased activity in the two regional contracts ("Cluster") in Saudi Arabia, in addition to an increase in the contribution by the Mostaganem plant in Algeria as a result of the tariff update. In addition, Technology and Networks activity performed positively as a result of the actions performed as part of the regional contracts in Saudi Arabia mentioned above, which have offset the completion of works on the Riyadh Metro.

Breakdown of revenue by geographical area



Gross operating earnings (EBITDA) experienced growth of 10.7% to €425.4 million, as a result of the aforementioned growth in revenue, thanks to tariff increases and the incorporation of new contracts. As a result, the operating margin stood at 25.4%, compared to 25.8% the previous year.

EBIT increased by 12% to reach €242.2 million, due to the trend in gross operating profit mentioned earlier.

Breakdown of backlog by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	6,495.4	6,860.6	-5.3%
International	16,069.6	14,870.1	8.1%
Total	**22,565.0**	**21,730.7**	**3.8%**

The backlog at the end of June amounted to €22.565 million, up 3.8% on December 2023. The international backlog gained 8.1% to €16,069.6 million, following the incorporation of the revenue backlog associated with MDS in the United States, the new contracts in France and the consolidated tariff updates in Georgia and the Czech Republic. The foregoing has served to offset the 5.3% drop in Spain.

7.2.2. Financial Debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Net Financial Debt	1,788.5	1,665.8	122.7

Net financial debt was up €122.7 million on December of the previous year, to reach €1,788.5 million, due to higher payments on investments, in particular the acquisition of MDS in the USA.

7.3. Construction

Construction activity contributed 11.8% to the Group's consolidated EBITDA during the period. Its activity is focused on the implementation of large-scale projects in the civil, industrial and construction sectors. The Area maintains a selective presence in more than 20 countries and its project backlog is noteworthy on account of its essential infrastructures such as railways, tunnels, bridges and motorways.

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	2,991.3	2,823.1	6.0%
EBITDA	169.7	169.4	0.2%
EBITDA margin	*5.7%*	*6.0%*	*-0.3 p.p*
EBIT	123.3	118.4	4.1%
EBIT margin	*4.1%*	*4.2%*	*-0.1 p.p*

During the year, revenue in this area increased by 6% to €2,991.3 million, due to work commencing on new projects awarded during the last year, including industrial projects for development of renewable energy and gas, and other major international railway and highway infrastructure projects.

Breakdown of revenue by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	1,171.1	1,108.1	5.7%
Rest of Europe	882.8	695.1	27.0%
America	677.8	819.3	-17.3%
Middle East, Africa and Australia	259.6	200.6	29.4%
Total	**2,991.3**	**2,823.1**	**6.0%**

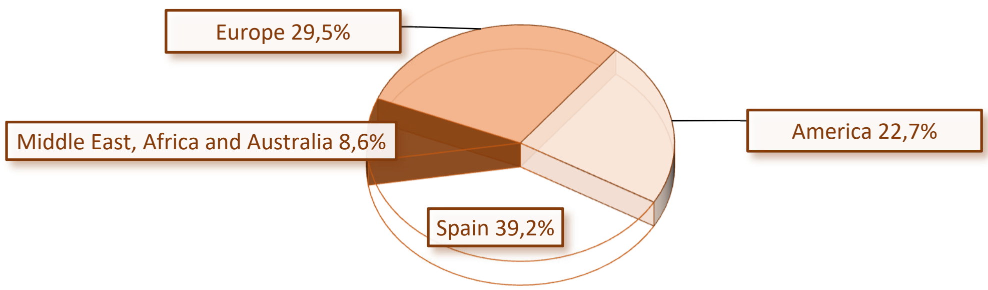
In terms of geographical areas, turnover in Spain increased by 5.7%, to €1,171.1 million, with good progress in all work in progress, particularly railways, such as the high-speed project in Totana, and the start-up of new works, notably solar facilities in Guillena (Seville), which offset the reduction in turnover following completion of work on Madrid's Santiago Bernabéu Stadium.

In the Rest of Europe, turnover increased by 27% to €882.8 million, mainly due to the further progress made in building motorways in the United Kingdom, the Netherlands and Romania.

In America, turnover was down 17.3% on the previous year to reach €677.8 million, mainly due to completion of the Maya Train project in Mexico, which was not fully offset despite the increasing contribution of railway works in Toronto (Canada) and Pennsylvania (United States).

There was an 29.4% increase in revenue in the Middle East, Africa and Australia to €259.6 million, due in large part to the increased contribution of the Neom project in Saudi Arabia, progress with which has comfortably offset the almost completion of the Riyadh Metro project.

Breakdown of revenue by geographical area



Gross operating earnings increased by 0.2% to €169.7 million, with an operating margin of 5.7% compared to 6% the previous year. This can mainly be attributed to a change in the composition of the project backlog, in line with plans for the year.

Net operating profit was up by 4.1% year on year to €123.3 million. The margin remained stable and in line with the previous year, performing similarly throughout the year.

Breakdown of backlog by geographical area

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	2,412.3	2,386.1	1.1%
International	3,956.1	4,039.8	-2.1%
Total	**6,368.4**	**6,425.9**	**-0.9%**

The revenue backlog experienced a slight drop compared to December 2023, coming to €6,368.4 million. International activity experienced a drop of 2.1% to €3,956 million, despite noteworthy major projects such as GNL Stade (Germany) and the construction of social housing in Australia (Queensland). In turn, the backlog in Spain grew by 1.1% following the completion of certain major works. However, it should be noted that the international backlog includes the design phase and preliminary study in some projects, meaning that contracting during the construction phase would add a considerable amount to the balance recognised at year-end.

Breakdown of the Backlog by Activity Segment

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Civil engineering works	4,561.1	5,112.4	-10.8%
Building	1,034.4	656.9	57.5%
Industrial Projects	772.9	656.6	17.7%
Total	**6,368.4**	**6,425.9**	**-0.9%**

By type of activity, civil engineering maintained its importance at year-end, accounting for 71.6% of the total backlog, mainly in the form of large public contracts in certain selective markets in Europe, America and the Middle East. Building and industrial projects, although relevant, account for a smaller proportion.

7.4. Concessions

The Concessions area contributed 3.9% to the Group's EBITDA in 2024. Its activity is focussed on the development, operation and maintenance of infrastructure, mainly transport and other facilities. At 31 December, the parent company of the area, FCC Concesiones, held a total of 14 concessions in varying degrees of participation (5 under global consolidation).

7.4.1. Earnings

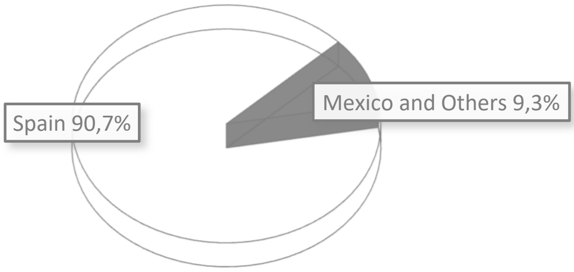
(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Turnover	77.8	61.6	26.3%
EBITDA	55.4	45.7	21.2%
EBITDA margin	*71.2%*	*74.2%*	*-3.0 p.p*
EBIT	79.3	95.0	-16.5%
EBIT margin	*101.9%*	*154.2%*	*-52.3 p.p*

Revenue in the area saw significant growth of 26.3% to €77.8 million during the period. This increase can mainly be attributed to the rise in road and rail traffic, which boosted the revenue recognised by Auconsa and Tranvía de Murcia. The entry into consolidation of the Tranvía de Parla concession, following the acquisition of all of its capital in the second quarter of the year, has shored up this trend.

Breakdown of revenue by geographical area			
(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (%)**
Spain	70.6	57.7	22.4%
Mexico and Others	7.2	3.9	84.6%
Total	**77.8**	**61.6**	**26.3%**

By geographical area, most revenue is concentrated in Spain, amounting to €70.6 million, 22.4% up on the previous year. The biggest contribution can be attributed to the Conquense motorway and the Murcia tramway. The concession in Cotuco, in Mexico, remained particularly stable compared to the previous year, despite the depreciation of the Mexican peso during the period (-3.28%).

Breakdown of revenue by geographical area



Gross operating profit amounted to €55.4 million, up 21.2% on the same period of the previous year. The operating margin stood at 71.2% during the period.

In turn, net operating profit came to €79.3 million, 16.5% down on the previous year, although higher than EBITDA given that, in both years, "Other operating income" included the positive impact of changes in the consolidation perimeter of the area of miscellaneous concessions, as was the case of the Tranvía de Parla, with profit of €41.2 million.

7.4.2. Financial Debt

(million euros)	**Dec. 24**	**Dec. 23**	**Chg. (€M)**
Net financial debt	0.0	74.3	(74.3)

Net financial debt fell to zero in 2024. This can be attributed to the fact that in December, several capital and debt repayment operations were performed with a view to reorganising and strengthening the structure and financial capacity of the concession holders and the parent company of the area, FCC Concesiones.

8. ALTERNATIVE PERFORMANCE MEASURES (APMs)

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.

EBITDA Margin

Considered as EBITDA (or gross operating profit) divided by Net Turnover in each case.

EBIT

This corresponds to the operating profit/(loss) in the consolidated income statement presented in the accompanying consolidated financial statements.

EBIT margin

Considered as EBIT (or operating profit) divided by Net Turnover in each case.

BACKLOG

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 current prices as at the date of calculation. We include in backlog only amounts to which clients are obligated by a signed contract or firm order.

At the Environment division, 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.

GROSS FINANCIAL DEBT

Debts (current and non-current) with credit institutions, debt instruments and loans, financial lease payables and other financial borrowings from third parties, joint ventures and associates on the Liabilities side of the consolidated balance sheet.

NET FINANCIAL DEBT

Net financial debt is defined as total gross financial debt less current financial assets, cash and other cash equivalents.

WORKING CAPITAL

The part of Current Assets financed using long-term funds (Non-Current Liabilities and Net Equity). It is calculated as the sum of Current Assets minus the sum of Current Liabilities.

NET CASH WITH RECOURSE

It is defined as Cash and other equivalent liquid assets, plus short-term Financial Assets, minus the Gross Financial Debt, of the parent company and that of those subsidiary companies that are financially guaranteed with the equity of the parent company.

9. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 December 2024, 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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10. CONTACT DETAILS

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