

FCC Environmental Services started delivering services in 2020 at Volusia county (FL) and the city of Omaha (NE), United States.

2020 Earnings Report



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1. SIGNIFICANT EVENTS

FCC Medio Ambiente is the most highly rated company for the Barcelona cleaning and collection contract

Last October, FCC Medio Ambiente was the highest-rated company in terms of technical criteria in the tender for the cleaning and waste collection for the city of Barcelona. In this tender, the ie-Urban, a new internally developed, 100% electric, modular chassis-platform electric collection truck, played a key role in the proposal to enhance urban sustainability and minimise environmental impact. If this award is confirmed, the contract will represent more than 800 million euros in revenues not included in the backlog at the end of 2020.

FCC Aqualia renews several end-to-end water cycle contracts in Spain

Among the various renewals obtained, last December the municipality of Vigo approved the concession to FCC Aqualia of a five-year extension of the supply and sanitation management contract, for 259.6 million euros. This expansion is linked to the implementation of an investment plan that will improve the current high levels of service. In addition, all the renewals obtained have allowed us to enjoy a good loyalty rate in 2020, which remains at very high levels (close to 100%). The operational stability of this Area resulted in a “positive” annual credit rating perspective on behalf of Fitchratings, obtained last July.

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.

Among other important projects, the company was awarded the E6 motorway in Norway for 238.8 million euros, which includes the design and construction of a new 25-kilometre section of the E6 motorway, with an execution period of 47 months. 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. The project consists of a 200-kilometre section valued at close to 700 million euros with an execution period of 28 months to which a further five years of maintenance has been added.

FCC Medioambiente finalises the entry of a minority financial partner in the UK

Last July, an agreement was reached with the investment group Icon Infrastructure Partners for the purchase of 49% of the capital of the new subsidiary company Green Recovery Projects Limited (GRP), header and owner of five energy recovery plants (“EfW”) of FCC Medio Ambiente subsidiary in the United Kingdom (located in Kent, Nottinghamshire, Buckinghamshire, Edinburgh and Lincolnshire), for an amount totalling 198 million pounds sterling. This meant an enterprise value of the company, at 100%, of 650 million pounds including its debt. The transaction was completed last November.

The head of the area, FCC Servicios Medio Ambiente Holding, maintains control of GRP 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 along with other local and international partners in the project, which will be developed under the PPP model. The project is key to improving connectivity and development in the region and has 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. When signed, the agreement will mean the transfer of 51% in the Cedinsa Group, which manages the concession of four dual carriageways in Catalonia, 49% in Ceal 9, the concessionaire of the stations on 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, enabling the deconsolidation of 690.7 million euros of net financial debt at the close of the third quarter and will improve the Group's treasury position. The closure of the agreement is pending obtaining the usual authorisations for this type of transaction.

2. EXECUTIVE SUMMARY

- ◊ In 2020 as a whole, the FCC Group achieved 6,158 million euros in revenues, 1.9% lower than in 2019. This sustained level of revenues was supported by the good performance of the Utilities activities (Environment and Water), thanks to their being considered essential services, which alleviated the decline in the Construction and Cement areas, which were affected by the restrictions taken by the government since last March to combat the health crisis. This is in addition to a higher contribution of revenues in Concessions due to the change in the consolidation method of the concession company Cedinsa.
- ◊ Gross operating profit increased by 2.1%, reaching 1,047.5 million euros. This increase is due to the higher contribution in the Concessions area, together with the increase in profits from the sale of surplus emission rights in the Cement area, which offset the fall in Construction. Adjusted for the sale of Co2 rights, Ebitda for the business year was only 3.1% lower than the previous year.
- ◊ Attributable net income reached 262.2 million euros, 1.7% lower than the previous business year. Again, as throughout the business year, it includes the differential behaviour of the exchange differences recorded, -51.3 million euros this year compared with a positive contribution of 14.8 million euros in 2019.
- ◊ The Group's financial debt fell by 21.8% compared to the end of the previous year, mainly due to the exclusion of the debt linked to the transport infrastructure concession assets, the sale of which was agreed last October, from the GRP minority stake sale in UK, and the early partial repayment of the debt linked to the Cement area. As a result, the net financial debt balance amounted to 2,797.8 million euros in December 2020.
- ◊ Net assets increased substantially by 17.6% to 2,908.7 million euros at business year-end, thanks to the stability of net profit and the very high percentage of shareholders who once again chose to reinvest their annual scrip dividend in new shares in the entity.
- ◊ At the end of December 2020, the Group's revenue portfolio stood at 29,411.7 million euros, which still does not include significant contracts provisionally awarded mainly in the Environment area.

KEY FIGURES

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Net turnover (NT)	6,158.0	6,276.2	-1.9%
Gross Operating Profit (EBITDA)	1,047.5	1,025.8	2.1%
<i>EBITDA Margin</i>	17.0%	16.3%	0.7 p.p
Net Operating Profit (EBIT)	572.7	511.6	11.9%
<i>EBIT Margin</i>	9.3%	8.2%	1.1 p.p
Income attributable to the parent company	262.2	266.7	-1.7%
Equity	2,908.7	2,473.8	17.6%
Net financial debt	2,797.8	3,578.7	-21.8%
Backlog	29,411.7	31,038.4	-5.2%

3. SUMMARY BY BUSINESS AREA

(Millions of Euros)

Area	Dec. 20	Dec. 19	Chg. (%)	% of 2020 total	% of 2019 total
REVENUE BY BUSINESS AREA					
Environment	2,888.2	2,915.2	-0.9%	46.9%	46.4%
Water	1,188.3	1,186.9	0.1%	19.3%	18.9%
Construction	1,611.0	1,719.3	-6.3%	26.2%	27.4%
Cement	382.6	413.2	-7.4%	6.2%	6.6%
Concessions	123.5	49.8	148.0%	2.0%	0.8%
Corporate serv. and others	(35.6)	(8.2)	N/A	-0.6%	-0.1%
Total	6,158.0	6,276.2	-1.9%	100.0%	100.0%
REVENUE BY GEOGRAPHICAL AREA					
Spain	3,672.3	3,465.6	6.0%	59.6%	55.2%
Rest of Europe and Others	803.0	733.9	9.4%	13.0%	11.7%
United Kingdom	668.6	734.9	-9.0%	10.9%	11.7%
Middle East & Africa	467.4	576.8	-19.0%	7.6%	9.2%
Czech Republic	285.2	286.8	-0.6%	4.6%	4.6%
Latin America and USA	261.5	478.2	-45.3%	4.2%	7.6%
Total	6,158.0	6,276.2	-1.9%	100.0%	100.0%
EBITDA*					
Environment	450.9	492.5	-8.4%	43.0%	48.0%
Water	282.9	281.7	0.4%	27.0%	27.5%
Construction	53.6	100.2	-46.5%	5.1%	9.8%
Cement	139.9	86.4	61.9%	13.4%	8.4%
Concessions	94.6	31.8	197.2%	9.0%	3.1%
Corporate serv. and others	25.6	33.2	-22.9%	2.4%	3.2%
Total	1,047.5	1,025.8	2.1%	100.0%	100.0%
OPERATING PROFIT/(LOSS)					
Environment	215.7	258.5	-16.6%	37.7%	50.5%
Water	167.4	180.2	-7.1%	29.2%	35.2%
Construction	20.9	77.3	-73.0%	3.6%	15.1%
Cement	106.8	(20.0)	N/A	18.6%	-3.9%
Concessions	55.4	12.0	N/A	9.7%	2.3%
Corporate serv. and others	6.5	3.6	80.6%	1.1%	0.7%
Total	572.7	511.6	11.9%	100.0%	100.0%
NET FINANCIAL DEBT*					
With Recourse	101.6	(12.8)	-893.7%	3.6%	-0.4%
Without Recourse					
Environment	1,330.2	1,332.2	-0.2%	47.5%	37.2%
Water	1,177.6	1,214.5	-3.0%	42.1%	33.9%
Construction	0.0	0.0	N/A	0.0%	0.0%
Cement	173.7	293.0	-40.7%	6.2%	8.2%
Concessions	14.7	751.8	-98.0%	0.5%	21.0%
Total	2,797.8	3,578.7	-21.8%	100.0%	100.0%
BACKLOG*					
Environment	9,184.3	10,366.2	-11.4%	31.2%	33.4%
Water	15,025.9	15,018.3	0.1%	51.1%	48.4%
Construction	5,155.8	5,623.2	-8.3%	17.5%	18.1%
Real Estate	45.7	30.7	49.0%	0.2%	0.1%
Total	29,411.7	31,038.4	-5.2%	100.0%	100.0%

* See page 28 for a definition of the calculation in accordance with ESMA rules (2015/1415en)

4. INCOME STATEMENT

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Net turnover (NT)	6,158.0	6,276.2	-1.9%
Gross Operating Profit (EBITDA)	1,047.5	1,025.8	2.1%
<i>EBITDA Margin</i>	17.0%	16.3%	0.7 p.p
Provision for amortisation of fixed and non-current assets	(488.9)	(458.4)	6.7%
Other operating income	14.1	(55.8)	-125.3%
Net Operating Profit (EBIT)	572.7	511.6	11.9%
<i>EBIT margin</i>	9.3%	8.2%	1.1 p.p
Financial income	(154.0)	(144.7)	6.4%
Miscellaneous financial results	(51.1)	1.5	N/A
P/L of companies accounted for by the equity method	62.1	120.6	-48.5%
Profit/(loss) before tax from continuing activities	429.9	489.0	-12.1%
Company tax on profits	(86.3)	(149.1)	-42.1%
Income from continuing operations	343.6	339.9	1.1%
Net Income	343.6	339.9	1.1%
Non-controlling interests	(81.4)	(73.2)	11.2%
Income attributable to the parent company	262.2	266.7	-1.7%

4.1 Net Revenue

Consolidated Group income amounted to 6,158 million euros for the entire year, 1.9% lower than in the previous year. All activities reflect, to a varying degree, the measures decreed by governments 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 its contribution as a result of the acquisition of a majority in the Cedinsa group in November last year, together with very stable performance experienced in the Water and Environment areas due to its clear nature as an essential service for its customers.

According to the different business areas, the largest contributor, Environment, has enjoyed sustained performance levels, recording a slight contraction in revenues of 0.9%, centred on the impact of lower volumes in the waste treatment area in the United Kingdom. This, however, is combined with the good performance in the waste collection, treatment and street cleaning activity in most geographical areas, with a greater contribution from the USA.

Revenues in the Water area remained stable, with an increase of 0.1%, due to the greater contribution of the new concession contracts incorporated abroad, which compensated for the lower activity in Technology and Networks due to the slower pace of execution of construction projects, also mainly in the international area.

In Construction, turnover declined by 6.3%, due to delays and project stoppages caused by strict lockdown measures, mainly in Latin America and the Middle East. In Spain and Europe, a higher level of activity in new contracts remained stable, which largely made it possible to compensate for the stoppage intervals registered in the year in this geographical area.

Likewise, in the Cement area, revenues decreased by 7.4%, due to lower volumes shipped in the local markets of Spain and Tunisia, mainly in the months of March and April, which was partially offset by the recovery recorded in the last months of the year.

Revenue Breakdown by Geographical Area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	3,672.3	3,465.6	6.0%
Rest of Europe and Others	803.0	733.9	9.4%
United Kingdom	668.6	734.9	-9.0%
Middle East & Africa	467.4	576.8	-19.0%
Czech Republic	285.2	286.8	-0.6%
Latin America and USA	261.5	478.2	-45.3%
Total	6,158.0	6,276.2	-1.9%

By business area in Spain, revenues increased their contribution by 6% to 3,672.3 million euros. Environment had an increase of 0.8%, due to stability in the municipal waste management cycle as a whole, which compensated for the decrease in non-essential urban services in certain periods due to the measures taken by the government to combat the pandemic. Water recorded a 2.5% decline due to a slight reduction in amounts invoiced as a result of a drop in activity in non-residential customers, together with lower contribution from Technology and Networks associated with concessions. The Construction area rose by a remarkable 27.6%, where the good pace in the development of projects awarded in the previous year allowed it to overcome the effect of the reduced activity recorded between March and May. Similarly, the Cement area, which was affected in the same period by the restriction measures, leading to a decrease in the amounts invoiced, partially recovered its pace of activity, with a drop of 4.6% for the year as a whole. Lastly, it is worth mentioning the increase in the contribution of the Concessions area, up to 121.5 million euros, due to the effect of incorporating the Cedinsa subgroup into the scope using the full consolidation method.

In the other regions, within the EU, there was a 9.4% increase in Rest of Europe and Others to 803 million euros, due to the higher contribution in Construction of a new contract in the Netherlands and the contribution of Aqualia France acquired in June 2019, together with very stable performance in the Central European countries in which the Environment area operates.

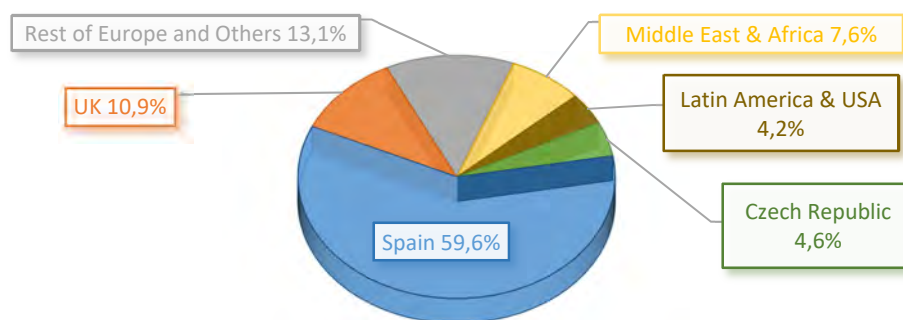
In the Czech Republic, there was a small reduction of 0.6% due to a fall in the exchange rate during the period (-2.9%), with very stable operating conditions both for Environment and Water.

In the United Kingdom, revenues generated mostly in the Environment area fell by 9% to 668.6 million euros, due to lower volumes in the tertiary waste treatment and reduction business, linked to lockdown measures due to the health crisis and a lower contribution from the Edinburgh treatment and recovery plant following the completion of its construction phase in the middle of the previous year.

The Middle East and Africa area saw its revenues reduced by 19%, mainly due to the effect of the strict lockdown measures in those countries where the Construction area operates. This was mainly in Saudi Arabia, and which mitigated a higher activity in the Water area, both due to the contribution of two companies acquired in Saudi Arabia and to the increased activity in Technology and Networks.

Revenues in Latin America and the US dropped by 45.3%, due to the slower pace of project execution in both Construction and Water, again as a result of the effect of the strict lockdown measures implemented to tackle the pandemic. However, in the United States, revenues, concentrated in the Environment area, increased significantly due to the entry into operation of new contracts in Florida for municipal waste collection services, an essential service activity that avoided the effects caused by lockdowns and their impact on certain economic activities.

% Revenue by Geographical Area



4.2 Gross Operating Profit (EBITDA)

The Gross Operating Profit for the year was 1,047.5 million euros, an increase of 2.1% compared to the previous year. This increase is largely down to the combination of the higher result from the sale of emission rights in the Cement area together with the increased contribution from the Concessions area and the sustained performance of the Water area.

By business area, the most noteworthy developments have been:

Environment decreased by 8.4% to 450.9 million euros, due to lower volumes in treatment plants and waste reduction, mainly in the United Kingdom, together with the lower price of generated electricity and other by-products and higher expenses associated with scheduled maintenance shutdowns and extraordinary repairs.

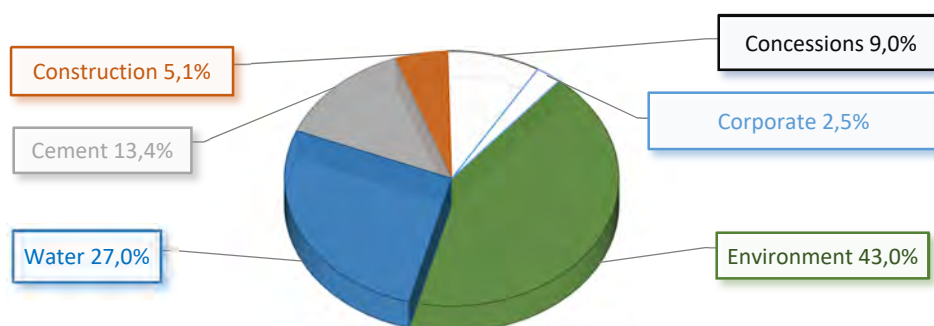
The Water area reached 282.9 million euros, similar to that generated in the previous year, supported by an increased contribution of the concessions and services activity due to the incorporation of new contracts which offset the reduced contribution of the Technology and Networks activity. Overall, the operating margin remained at a similar level (23.8% for the year).

In Concessions, the differential contribution from the Cedinsa concession group, which amounted to 75.3 million euros, drove up EBITDA to 94.6 million euros. This is compared to 31.8 million euros in the previous year, when it only contributed to profit for two months.

Meanwhile, the Construction area suffered more strongly from the impact of the aforementioned general restriction measures. So it totalled 53.6 million euros, compared to 100.2 million euros in the previous year, mainly as a result of a downturn in activity in some countries in the international area and the cost structure associated with the projects, with a 3.3% reduction in margins in the year.

In Cement, it is worth mentioning the contribution from the sale of CO₂ rights, totalling 58.9 million euros compared to 5.8 million euros in the previous year. This, together with a significant drop in the cost of energy, led to a remarkable 61.9% 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 79.1% for the period, compared to 20.9% from those linked to demand for the construction of infrastructure, building and other activities.

4.3 Net Operating Profit (EBIT)

Net operating profit amounted to 572.7 million euros, 11.9% more than in the previous year. Ebit reflects the effect of the development of the gross operating profit together with two components. Firstly, the higher provision for amortisation corresponding to the transport concession assets assigned to the operating activity following their entry into consolidation at the end of 2019, as well as a contribution from other operating income of 14.1 million euros this year compared to -55.8 million euros the previous year due to the impairment of 70 million euros that was made to the value of goodwill of the cement activity in 2019.

4.4 Earnings before Taxes (EBT) from continuing operations

Profit before tax for continued activities stood at 429.9 million euros, 12.1% down on 2019, due to the fact that positive developments in operational processes were accompanied by a sustained negative impact on the exchange rate in 2020 compared to the positive contribution it made in the previous year. In addition, lower profits were generated by companies accounted for using the equity method, due to the change in the consolidation method of the Cedinsa subgroup mentioned above.

4.4.1 Financial income

The financial result amounted to -154 million euros, compared to -144.7 million euros in the previous business year. The increase is mainly due to higher project finance expenses in the Concessions area of the Cedinsa subgroup, since its entry into consolidation in November 2019.

4.4.2 Miscellaneous financial results

This epigraph includes an amount of -51.1 million euros this year, compared with -1.5 million euros last year. The difference is mainly due to the impact from developments in the exchange rate for certain currencies, with negative exchange differences amounting to -51.3 million euros recorded in this year compared to +14.8 million euros recorded for the previous year.

4.4.3 Profit/(loss) of equity-accounted affiliates

The contribution from co-managed and investee companies amounted to 62.1 million euros, compared to 120.6 million euros the previous business year. This is mainly due to the effect of the change to full consolidation of the Cedinsa subgroup, mentioned above, and the decreased contribution due to the completion of certain projects in Construction.

4.5 Income attributable to the parent company

The net attributable profit for the year was 262.2 million euros, a slight decrease of 1.7% compared to 2019. This profit is accounted for by the contribution to EBT from the following items:

A corporate income tax expense of -86.3 million euros, in line with the profit before tax obtained, together with profit attributable to minority shareholders of 81.4 million euros compared to 73.2 million euros the previous year, mainly concentrated in the Water area (with 67.9 million euros) and largely reflecting 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.

	Dec. 20	Dec. 19	Chg. (%)
Net turnover (NT)	6,132.6	6,368.5	-3.7%
Gross Operating Profit (EBITDA)	1,032.7	1,132.4	-8.8%
<i>EBITDA Margin</i>	<i>16.8%</i>	<i>17.8%</i>	<i>-0.9 p.p</i>
Net Operating Profit (EBIT)	567.7	597.4	-5.0%
<i>EBIT margin</i>	<i>9.3%</i>	<i>9.4%</i>	<i>-0.1 p.p</i>
Income attributable to the parent company	262.2	266.7	-1.7%

5. BALANCE SHEET

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (M€)
Intangible fixed and non-current assets	2,437.9	3,458.4	(1,020.5)
fixed and non-current assets/Property, Plant and Equipment	2,810.2	2,866.5	(56.3)
Equity-accounted affiliates	722.8	741.5	(18.7)
Non-current financial assets	580.9	863.2	(282.3)
Deferred tax assets and other non-current assets	578.7	599.9	(21.2)
Non-current assets	7,130.4	8,529.6	(1,399.2)
Non-current assets held for sale*	1,392.3	0.0	1,392.3
Inventory	765.6	728.8	36.8
Trade and other receivables	2,095.6	1,907.7	187.9
Other current financial assets	228.7	189.6	39.1
Cash and cash equivalents	1,222.1	1,218.5	3.6
Current assets	5,704.2	4,044.6	1,659.6
TOTAL ASSETS	12,834.6	12,574.1	260.5
Equity attributable to shareholders of the parent company	2,288.3	1,951.3	337.0
Non-controlling interests	620.4	522.5	97.9
Equity	2,908.7	2,473.8	434.9
Subsidies	193.0	333.8	(140.8)
Non-current provisions	1,064.4	1,130.2	(65.8)
Long-term financial debt	3,543.3	4,448.7	(905.4)
Other non-current financial liabilities	434.0	581.6	(147.6)
Deferred tax liabilities and other non-current liabilities	296.7	303.0	(6.3)
Non-current liabilities	5,531.3	6,797.2	(1,265.9)
Liabilities relating to non-current assets held for sale*	1,051.3	0.0	1,051.3
Current provisions	195.2	249.6	(54.4)
Short-term financial debt	705.2	538.2	167.0
Other current financial liabilities	169.2	145.4	23.8
Trade and other payables	2,273.7	2,370.0	(96.3)
Current liabilities	4,394.6	3,303.2	1,091.4
TOTAL LIABILITIES	12,834.6	12,574.1	260.5

*See epigraph 5.2

5.1 Investments accounted for using the equity method

The epigraph entitled investments accounted for using the equity method amounted to 722.8 million euros at the end of the year, with the following breakdown of the most significant investments in equity:

- 1) 278.1 million euros for the 36.9% stake in Realia.
- 2) 74.3 million euros for participation in various transport infrastructure and equipment concessions.
- 3) 102.3 million euros for the stake in companies in the Environment area (recycling and municipal services, mainly in Spain and the United Kingdom).
- 4) 35.2 million euros for stakes in companies in the Water area, largely concessionary companies managing services abroad (North Africa and Mexico).
- 5) 35.5 million euros from the subsidiaries of the parent company in the Cement area.

This epigraph also includes a further 197.4 million euros for the remaining investments in own funds for other participations together with loans granted to subsidiaries.

5.2 Assets held for sale

This epigraph is included in current assets, for an amount of 1,392.3 million euros, with its corresponding counterpart in liabilities, all of the assets corresponding to certain participations in the concessions activity whose sale was agreed in the third quarter of the business year and until it leaves the consolidated perimeter when the transaction is closed.

5.3 Cash, cash equivalents and available lines of credit

The balance for the Cash and cash equivalents epigraph amounted to 1,222.1 million euros as at the end of the business year, with 72.9% for companies and non-recourse perimeters and the remaining 27.1% for the Group's parent company and its recourse perimeter.

The cash balance has remained very stable and in line with the previous year, so that together with the available lines of credit, at business year-end the FCC Group had:

- 1) In the recourse perimeter, cash and equivalents of 330.6 million euros and lines of credit of 473.4 million euros, totalling 804 million euros.
- 2) In the non-recourse perimeters, cash and equivalents of 891.5 million euros and lines of credit of 389.8 million euros, totalling 1,281.3 million euros.

This took the FCC Group's total for cash, cash equivalents and available lines of credit at the end of the business year to 2,085.3 million euros, compared to a total short-term financial debt (maturing before 12 months) at the same date amounting to 705.2 million euros. This represents a volume of three times the amount of existing maturities until 31 December 2021.

Epigraph 5.5 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

Equity at business year-end amounted to 2,908.7 million euros, compared with 2,473.8 million euros at the end of the previous business year. This substantial increase is mainly due to the contribution of net attributable profit of 262.2 million euros achieved in the year and to a lesser extent to the increase in non-controlling interests up to 620.4 million euros.

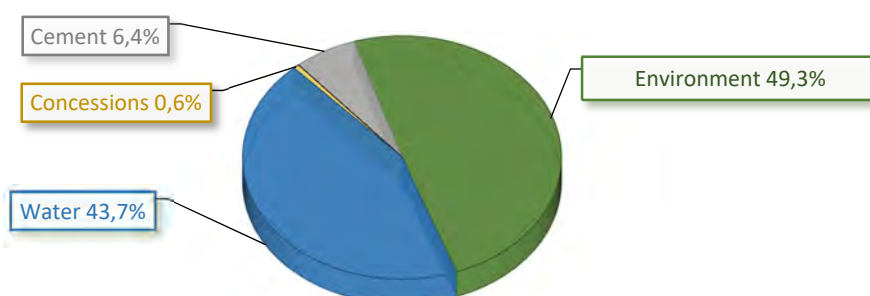
5.5 Financial debt

(Millions of Euros)	Dec. 20	Dec. 19	Chg. (M€)
Bank borrowings	820.0	1,474.7	(654.7)
Debt instruments and other loans	3,230.3	3,125.0	105.3
Payables due to financial leases	50.2	63.8	(13.6)
Other financial liabilities	148.0	323.4	(175.4)
Gross Financial Debt	4,248.5	4,986.9	(738.4)
Treasury and other current financial assets	(1,450.7)	(1,408.2)	(42.5)
Net Financial Debt	2,797.8	3,578.7	(780.9)
<i>Net financial debt with recourse</i>	<i>101.6</i>	<i>-12.8</i>	<i>114.4</i>
<i>Net financial debt without recourse</i>	<i>2,696.2</i>	<i>3,591.5</i>	<i>(895.3)</i>

With regard to gross financial debt, 16.6% has short-term maturity, equivalent to 705.2 million euros. 449.4 million of these relates to marketable securities, largely commercial paper issued on the Irish Stock Exchange by the Group's parent company and the Environment area. A further 212.4 million euros is due to various credit lines with banks, including both bilateral corporate financing and non-recourse projects, and another 43.4 million euros of financial debt with third parties.

Almost all of the net financial debt is without recourse and is allocated to business areas, totalling 2,696.2 million euros at the end of the business year. The parent company had a net debt position of 101.6 million euros, only 3.6% of the Group's total.

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 of 1,177.6 million euros, of which, in addition to corporate bond financing in the parent company, another 189.9 million euros correspond to the Czech Republic business, and the rest to various concessions of the end-to-end water cycle; (ii) the Cement area accounts for 173.7 million euros; (iii) the Environment area accounts for 1,330.2 million, most of which corresponds to long-term bonds issued at the end of 2019 by the area's parent company, another 167.2 million euros correspond to the activity in the United Kingdom, and the rest, 55 million euros, to financing three waste processing and recycling plant projects in Spain; (iv) 14.7 million euros is accounted for by the concessions area, after deconsolidation amounting to 698.5 million euros, corresponding to the Cedinsa concessionary group's project debt.

5.6 Other current and non-current financial liabilities

The epigraph of other current and non-current financial liabilities totals 603.2 million euros at the end of the business year. Its balance mainly includes the item suppliers of fixed and non-current assets for operating leases amounting to 394.9 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 FLOW

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Gross Operating Profit (EBITDA)	1,047.5	1,025.8	2.1%
(Increase)/decrease in working capital	(302.0)	(183.3)	64.8%
Corporate income tax (paid)/received	(96.7)	(173.0)	-44.1%
Other operating cash flow	(43.7)	(39.0)	12.1%
Operating cash flow	605.1	630.5	-4.0%
Investment payments	(541.2)	(546.6)	-1.0%
Divestment receipts	75.9	28.5	166.3%
Other investing cash flows	63.8	158.9	-59.8%
Investing cash flow	(401.5)	(359.2)	11.8%
Interest paid	(151.4)	(136.8)	10.7%
(Payment)/receipt of financial liabilities	(142.6)	(97.4)	46.4%
Other financing cash flow	155.6	(111.5)	N/A
Financing cash flow	(138.4)	(345.7)	-60.0%
Exchange differences, change in consolidation scope, etc.	(61.5)	26.8	N/A
Increase/(decrease) in cash and cash equivalents	3.6	(47.7)	-107.5%

6.1 Operating cash flow

The operating cash flow generated during the business year amounted to 605.1 million euros, 4% less than in the previous business year. Operating working capital was up 302 million euros compared to 183.3 million in the last business year, largely due to the elimination of the balance of non-recourse loan assignments in the Environment area in order to optimise the financial cost.

The epigraph collections/(payment) of company tax shows an outflow of 96.7 million euros compared to 173 million euros at the end of the previous business year. This difference was due to the payment of 92.1 million euros in the previous year to adjust the tax incentives applied by the Group in previous business years.

The epigraph other operating cash flow includes an outflow of 43.7 million euros compared to 39 million euros the previous business year, due to the application of provisions mainly in the Construction and Environment area.

6.2 Investing cash flow

The investment cash flow represents an application of 401.5 million euros compared to 359.2 million euros in the previous business year. In the Environment area, in Spain, the investment for the construction of the Loeches treatment plant in Madrid, for an amount of 54.6 million euros, stands out. In the international area, among the most significant investments is the one made in the United Kingdom for the development of the Lostock energy recovery plant for 49.4 million euros. In the USA, the investment in the contract for the collection of municipal solid wastes in Omaha, Nebraska, worth 34 million euros, is also worth mentioning.

In the Water area, of particular note are the payments for investments corresponding to the acquisition in Saudi Arabia of 51% of the companies Qatrat and Haaisco, for a combined amount of 16.1 million euros, as well as the payment of 14.1 million euros for the acquisition of three end-to-end water cycle companies in the region of Córdoba, in the north of Colombia. In Spain, 23 million euros were invested in the Rambla Morales desalination plant in Almería.

Proceeds from disposals amounted to 75.9 million euros compared to 28.5 million euros the previous business year, including 30.8 million euros corresponding to the sale of 49% of the long-term loan of the Edinburgh incineration plant to the investment group Icon, once the sale of 49% of the capital of the new subsidiary company Green Recovery Projects Limited to this group had been completed.

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

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (M€)
Environment	(283.1)	(301.2)	18,1
Water	(134.1)	(124.5)	(9.6)
Construction	(7.6)	30,5	(38.1)
Cement	(10.4)	(8.3)	(2.1)
Concessions	(24.9)	(59.0)	34,1
Corporate serv. etc. & adjustments	(5.2)	(55.6)	50,4
Net investments (Payments - Receipts)	(465.3)	(518.1)	52,8

The epigraph other investment flows includes an inflow of 63.8 million euros at the end of the year, where the most important item in the Environment area is the collection of the concession right for the Edinburgh incineration plant for an amount of 42.3 million euros, which has been applied in its entirety to reduce its financial debt. To this we must add movements for smaller amounts in loans to third parties and investee companies.

6.3 Financing cash flow

The consolidated cash flow from financing throughout the year represents an application of 138.4 million euros compared to 345.7 million euros in the previous business year. The interest payment item shows an outflow of 151.4 million euros, mainly concentrated in the Environment, Water and Concessions areas.

The epigraph Proceeds from/(payments on) financial liabilities includes an application of 142.6 million euros in the year, compared to 97.4 million euros in the previous year. The most significant item was the decrease in the financial debt of the Cement area, entirely without recourse to the Group's parent company, amounting to 118.5 million euros, of which 108 million euros correspond to the early partial repayment of the main credit facility for the area.

Other financing cash flows amounted to an inflow of 155.6 million euros compared with an outflow of 111.5 million euros the previous business year. The most significant item was the payment of the sale of a minority stake to a financial partner of 49% of the capital of the new subsidiary Green Recovery Projects Limited, head of five energy recovery plants of the Environment subsidiary in the UK, for 188.4 million euros. Lastly, it is worth mentioning the payment of dividends to shareholders of the Group's parent company and minority third parties amounting to 36.6 million euros.

6.4 Exchange differences, change in consolidation scope, etc.

This epigraph recorded an application of 61.5 million euros and includes two main items. Firstly, the transfer of the cash of the concession subgroup Cedinsa for 38.1 million euros to the epigraph "assets held for sale", following the sale agreement reached in the fourth quarter of the year and until its exit from the consolidated scope at the close of the transaction. This is in addition to the effect on cash of the variation in the exchange rate of various currencies against the euro, mainly concentrated in the Construction area.

6.5 Change in cash and cash equivalents

As a result of the development of the different components of the cash flow, FCC Group's cash position closed with an increase of 3.6 million euros compared to the end of the previous period, reaching a balance of 1,222.1 million euros at the end of the business year.

7. ANALYSIS BY BUSINESS AREA

7.1. Environment

The Environment division contributed 43% of the Group's EBITDA in 2020. Some 79.9% of its activity is focused on the provision of essential waste collection, treatment and disposal services, as well as street cleaning. The remaining 20.1% corresponds to other types of urban environmental activities, such as the conservation of green areas or 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.

7.1.1. Earnings

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Turnover	2,888.2	2,915.2	-0.9%
<i>Waste collection and street cleaning</i>	1,428.6	1,379.7	3.5%
<i>Waste processing</i>	879.0	960.1	-8.4%
<i>Other services</i>	580.6	575.4	0.9%
EBITDA	450.9	492.5	-8.4%
<i>EBITDA Margin</i>	15.6%	16.9%	-1.3 p.p
EBIT	215.7	258.5	-16.6%
<i>EBIT margin</i>	7.5%	8.9%	-1.4 p.p

Turnover for the Environment area remained at similar levels to the last business year and amounted to 2,888.2 million euros in the period. The waste collection and street cleaning activity increased by 3.5% to 1,428.6 million euros, where a greater contribution from the USA after the entry into operation of new contracts stands out, together with very stable performance in all other regions.

Waste treatment activity declined by 8.4% to 879 million euros, because of a lower contribution in the United Kingdom due to the decreased volume of treatment activity of private customers, as well as a reduced contribution from the development of new plants, together with good performance in Spain and Central Europe.

Breakdown of revenue by geographical area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	1,715.8	1,701.7	0.8%
United Kingdom	605.3	682.0	-11.2%
Central Europe	464.6	466.9	-0.5%
US and others	102.5	64.6	58.6%
Total	2,888.2	2,915.2	-0.9%

By geographical area, revenues in Spain increased by 0.8% compared to the previous business year to 1,715.8 million euros, due to stability in municipal waste collection and street cleaning activities deemed to be essential. This is together with higher revenues linked to the development phase of treatment plants that have offset the

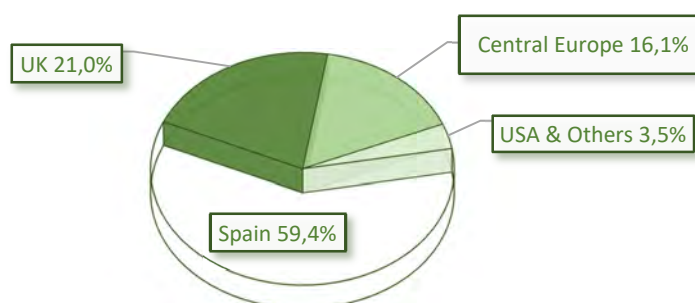
decrease in non-essential municipal services due to the measures taken by the government to combat the pandemic during the first half of the business year.

In the United Kingdom, turnover decreased by 11.2% to 605.3 million euros, due to lower volumes in the waste treatment and reduction activity, concentrated in tertiary clients and the decreased contribution of the treatment and recovery plant in Edinburgh, following the completion of the construction phase and the start of the operational phase since mid last year (which resulted in a reduction of 25.7 million euros).

In Central Europe, revenues remained stable at 464.6 million euros, where the increase in activity in Poland has almost entirely offset lower levels of activity in countries such as Bulgaria and Slovakia.

Lastly, turnover in the USA and other markets increased by a remarkable 58.6% 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 8.4% to 450.9 million euros, caused by the developments in revenue described above together with decreased performance in the incineration plants in the United Kingdom due to shutdowns scheduled in their maintenance together with extraordinary repairs.

The net operating profit (EBIT) decreased by 16.6% over the previous year to 215.7 million euros, thanks to the development of the different components mentioned in the Ebitda.

Breakdown of Backlogs by Geographical Area

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	4,872.2	5,354.5	-9.0%
International	4,312.1	5,011.7	-14.0%
Total	9,184.3	10,366.2	-11.4%

At the end of December, the backlog for the area fell by 11.4% to 9,184.3 million euros. In Spain, it amounts to 4,872.2 million, where a significant number of contracts are still being extended, although an increase in bidding activity is now being noted. The awarding of the eight-year urban sanitation contract for Barcelona is worth mentioning, with an estimated value of more than 800 million euros, after FCC Medioambiente was deemed the entity with the best technical qualification. In the international area, the backlog declined 14%, largely due to the depreciation of sterling and the dollar against the euro at the end of the business year.

7.1.2. Financial Debt

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (M€)
Net Financial Debt without recourse	1,330.2	1,332.2	(2.0)

There was no appreciable variation to Net financial debt without recourse to the header at the end of the business year. The main balance corresponds to the issue of two green bonds in the amount of 600 million euros and 500 million euros by the parent company in the fourth quarter of 2019 and that have obtained confirmation of its investment grade in its annual revision. Of the rest, 167.2 million euros correspond to activity in the United Kingdom together with another 55 million euros mainly linked to funding of three waste treatment and recycling plant projects in Spain.

7.2. End-to-End Water Management

The Water area contributed 27% of FCC Group EBITDA in the period. 85.6% 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 14.4% corresponds to Technology and Networks, which is responsible for the design, engineering and equipment of hydraulic infrastructures, related to a great extent to the development of new concessions and ancillary works for operations.

In Spain the area serves over 13 million inhabitants in more than 850 municipalities. In Central Europe, it serves 1.3 million users, mainly in the Czech Republic, while in the rest of the continent it is present in Italy, Portugal and France. In Latin America, the Middle East and Africa it is present through the design, equipping and operation of processing plants. All in all, the Water area provides supply and/or sanitation services to more than 25 million inhabitants.

7.2.1 Earnings

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Turnover	1,188.3	1,186.9	0.1%
<i>Concessions and services</i>	1,016.6	982.2	3.5%
<i>Technology and networks</i>	171.7	204.7	-16.1%
EBITDA	282.9	281.7	0.4%
<i>EBITDA Margin</i>	23.8%	23.7%	0.1 p.p
EBIT	167.4	180.2	-7.1%
<i>EBIT margin</i>	14.1%	15.2%	-1.1 p.p

Revenues remained stable and reached 1,188.3 million euros. The Concessions and Services business increased by 3.5% year-on-year to 1,016.6 million euros, due to the increased contribution of activity and contracts in France, Colombia and Saudi Arabia and despite the decrease in consumption in Spain due to the impact of the pandemic. However, Technology and Networks decreased by 16.1%, due to the slower pace of execution of both construction projects associated with national concessions and international projects.

Breakdown of revenue by geographical area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	784.3	804.4	-2.5%
Middle East, Africa and Others	163.1	113.3	44.0%
Central Europe	105.0	111.7	-6.0%
Rest of Europe (France, Portugal and Italy)	78.5	71.2	10.3%
Latin America	57.4	86.3	-33.5%
Total	1,188.3	1,186.9	0.1%

By geographic area, revenues in Spain amounted to 784.3 million euros, 2.5% less than at the end of the previous business year, due to a decrease in amounts invoiced to non-domestic customers and in tourist areas, together with the entry into operation of new contracts, such as the peripheral sewerage contract in Madrid. Technology and Networks has experienced lower activity due to the slower pace of execution of some projects associated with concessions.

In the international arena, in the Middle East, Africa and Others, revenues increased by an outstanding 44% to 163.1 million euros, due both to the good pace of execution in the construction of a wastewater treatment

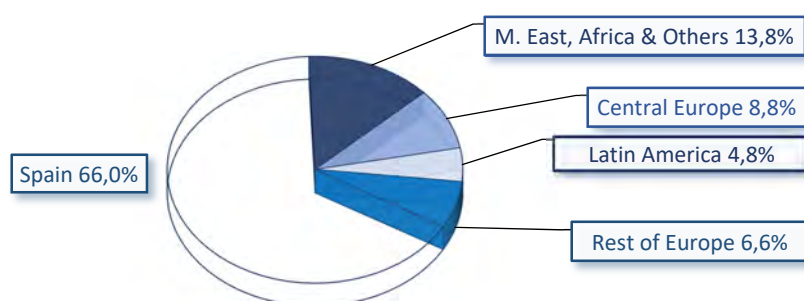
plant in Egypt, and to the increase in concession activity resulting from the contribution of the companies acquired in Saudi Arabia during the business year.

Central Europe saw its revenues fall by 6% to 105 million euros, mainly due to the reduced activity of Technology and Networks regarding the completion of 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 slight fall in consumption caused by the health crisis.

In the Rest of Europe, revenues increased by 10.3% to 78.5 million euros as a result of the contribution by the company Aqualia France acquired in June 2019, which compensated for a downturn in infrastructure activity in the Caltanissetta concession in Italy.

In Latin America, revenues fell by 33.5% to 57.4 million euros, due to the completion or slower pace of construction of plants in Ecuador and Colombia, which were not offset by the contribution of new contracts, such as in Mexico.

Breakdown of Revenue by Geographical Area



Gross operating profit (EBITDA) slightly increased by 0.4% and totalled 282.9 million euros, where the incorporation of new contracts in concessions and services helped to offset the aforementioned decrease in volumes and activity in Technology and Networks, due to the interruption and delay in the progress of some projects due to the health crisis. The margin, at 23.8%, remained stable compared to 2019.

The net operating profit (EBIT) decreased 7.1% compared to the previous business year, to 167.4 million euros, mainly due to the increase in the amortisation provision allocated due to an increase in the asset base and new areas of operations.

Breakdown of Backlogs by Geographical Area

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	7,224.7	7,813.1	-7.5%
International	7,801.2	7,205.2	8.3%
Total	15,025.9	15,018.3	0.1%

Figures for the backlog were similar to those to December of the previous year, totalling 15,025.9 million euros, due to new contracts in the international area, mainly in Colombia, Mexico, Saudi Arabia and Qatar, which compensated for the downturn in Spain, caused by delays in the renewal of some contracts.

7.2.2. Financial Debt

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (M€)
Net Financial Debt without recourse	1,177.6	1,214.5	(36.9)

Net financial debt, entirely without recourse to the Group's parent company, decreased by 36.9 million euros compared to December the previous year, totalling 1,177.6 million euros. Most of the debt balance is for long-term bonds issued by the area's parent company, with a gross balance of 1,346.4 million euros.

7.3. Construction

The Construction area contributed 5.1% of the Group's EBITDA in the business year. 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.

7.3.1 Earnings

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Turnover	1,611.0	1,719.3	-6.3%
EBITDA	53.6	100.2	-46.5%
<i>EBITDA Margin</i>	<i>3.3%</i>	<i>5.8%</i>	<i>-2.5 p.p</i>
EBIT	20.9	77.3	-73.0%
<i>EBIT margin</i>	<i>1.3%</i>	<i>4.5%</i>	<i>-3.2 p.p</i>

The area's revenues decreased by 6.3% to 1,611 million euros due to the slower pace of execution and the suspension that temporarily affected some ongoing projects, mainly in Latin America and the Middle East. This could not be fully offset by a higher volume of activity linked to contracts won and developed in Europe, which overall experienced a lower level of disruptions during the business year.

Breakdown of revenue by geographical area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	848.8	665.3	27.6%
Europe and others	390.0	313.1	24.5%
Middle East and Africa	246.2	401.5	-38.7%
Latin America and USA	126.0	339.4	-62.9%
Total	1,611.0	1,719.3	-6.3%

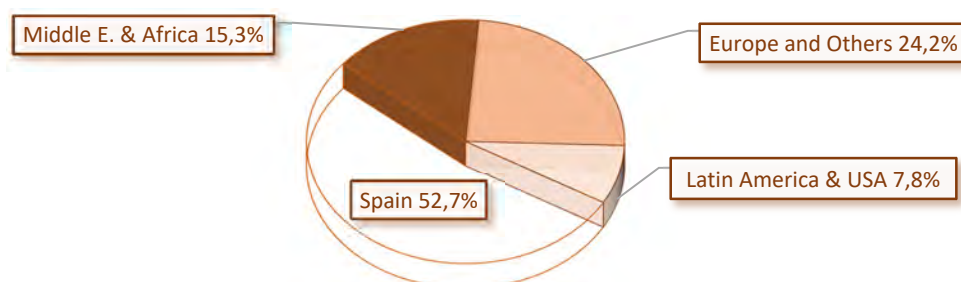
By geographical area, in Spain turnover increased by 27.6% to 848.8 million euros, due to the good pace sustained in the development of projects. The most significant of these is the remodelling of the Santiago Bernabéu football stadium, as well as in other minor projects recently awarded, which to a large extent compensated for the effects of the temporary measures taken to suspend the activity in its planned course of development.

Similarly, in Europe and other markets, turnover grew by 24.5% over the previous business year to 390 million euros, thanks to increased activity in new projects started in EU countries, including the A-9 motorway in the Netherlands, the A-6 in Norway, the modernisation of the Bacau airport runway in Romania and the pace of progress in the development of the Haren prison complex in Belgium.

In the Middle East and Africa, revenues decreased by 38.7% to 246.2 million euros, mainly due to the lower activity registered in the construction of the Riyadh metro in Saudi Arabia as a result of the strict lockdown measures decreed because of the pandemic together with the high degree of progress of the work as a whole.

In Latin America and the USA, turnover fell by 62.9% at business year-end, mainly due to the lower contribution from the completion of Line 2 of the Panamá Metro and the Gerald Desmond Bridge in Los Angeles (USA), together with the slowdown in the development of other projects underway in various countries, due to the strict lockdown measures decreed in these countries.

Breakdown of revenue by geographical area



The gross operating profit (EBITDA) decreased by 46.5% compared to the previous business year and amounts to 53.6 million euros. This development is the result of the combined effect in the international area of higher provisions, as a preventive measure, as well as higher costs, all in an environment marked by a temporary slowdown in activity stemming from the exceptional situation created by the health emergency measures. However, the higher level of activity executed in Europe mitigated this impact and the operating margin was 3.3%.

Net operating profit stands at 20.9 million euros compared to 77.3 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>	Dec. 20	Dec. 19	Chg. (%)
Spain	1,628.4	2,010.3	-19.0%
International	3,527.4	3,612.9	-2.4%
Total	5,155.8	5,623.2	-8.3%

The area's income backlog decreased 8.3% at the end of December compared to the previous business year, to 5,155.8 million euros. In Spain, it fell to 1,628.4 million euros, as a good pace in terms of project progress was not matched by the addition of new contracts in a business year that saw a low level of public tenders. In the international area, the backlog decreased by 2.4%, mainly due to the decline in the contract of the "Ciudad de la Salud" Health Centre in Panama, together with a reduction in the scope of works on other projects, which was largely offset by other contracts obtained in Europe and Mexico.

Breakdown of the Backlog by Activity Segment

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Civil engineering works	4,121.5	3,991.6	3.3%
Building	695.0	1,251.6	-44.5%
Industrial Projects	339.3	380.0	-10.7%
Total	5,155.8	5,623.2	-8.3%

By type of activity, the civil engineering works backlog accounted for 80% of the total and increased by 3.3%, due to new contracts in the international area, mainly in Europe, which offset the low public tenders in Spain, reaching 4,121.5 million euros. Building activity declined significantly, due both to the aforementioned adjustment in the Panama backlog and to the aforementioned drop in activity as a result of the health crisis.

7.4. Cement

The Cement area contributed 13.4% of the FCC Group's EBITDA in the business year. 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.

7.4.1. Earnings

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Turnover	382.6	413.2	-7.4%
<i>Cement</i>	345.2	374.5	-7.8%
<i>Other</i>	37.4	38.7	-3.4%
EBITDA	139.9	86.4	61.9%
<i>EBITDA Margin</i>	36.6%	20.9%	15.7 p.p
EBIT	106.8	(20.0)	N/A
<i>EBIT margin</i>	27.9%	-4.8%	32.8 p.p

Revenues for the area decreased by 7.4% to 382.6 million euros compared to December of the previous year, due to a decrease in volumes invoiced in local markets in Spain and Tunisia, as a consequence of the lockdown measures applied due to the pandemic, as well as a drop in exports from both markets.

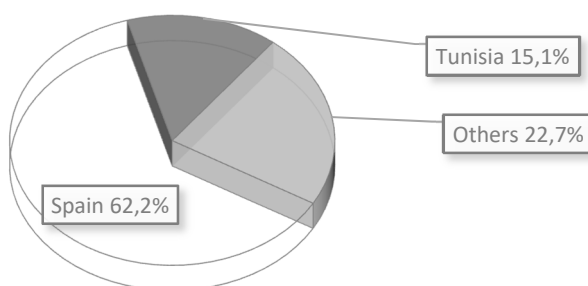
Breakdown of revenue by geographical area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	237.9	249.4	-4.6%
Tunisia	57.8	57.9	-0.2%
Miscellaneous (exports)	87.0	105.9	-17.9%
Total	382.6	413.2	-7.4%

By geographic area, revenues in Spain declined by 4.6% to 237.9 million euros, as the lockdown measures decreed due to the pandemic caused a decrease in volumes in the first half of the year, which was mitigated by good price performance. It should be noted that in the second half of the year there was a progressive recovery of activity with a more stable performance in terms of demand.

In the Tunisian local market, revenues remained stable at 57.8 million euros, where the decrease in volumes was offset by both price increases and the appreciation of the Tunisian dinar. Similarly, there was a progressive improvement in activity levels in the second part of the business year.

Export earnings fell by 17.9% amounting to 87 million euros due to a decrease in shipments made both from Spain and from Tunisia.

Breakdown of revenue by geographical area



The gross profit income increased by a remarkable 61.9% to 139.9 million euros, due to two main factors. The sale of CO2 rights amounted to 58.9 million euros in the business year, compared to 5.8 million euros the previous year, and the aforementioned drop in volumes and revenues was offset by the fall in energy prices, both for fuels and electricity. Therefore, without taking into account the CO2 component in both business years, Ebitda would have improved slightly by 0.4% in 2020 compared to the previous business year.

The net operating profit amounted to 106.8 million euros, as a result of the aforementioned development of the gross operating profit.

7.4.2. Financial Debt

(Millions of Euros)	Dec. 20	Dec. 19	Chg. (M€)
Net financial debt without recourse	173.7	293.0	(119.3)

Net financial debt, entirely without recourse to the Group's parent company, decreased significantly by 119.3 million euros to 173.7 million euros, of which 108 million euros correspond to the early partial repayment of the area's main credit facility, which has no significant ordinary maturity until 2022.

7.5. Concessions

As a result of a sale agreement reached in October 2020 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 accounts for 9% of the Group's EBITDA in the year as a whole. Its activities focussed on the development, operation and maintenance of transport and non-residential infrastructures. At the close of the business year, the Cedinsa subgroup maintained its contribution to turnover, which together with other smaller entities represents a total of 18 concessionary companies in the portfolio and with different degrees of participation.

7.5.1. Earnings

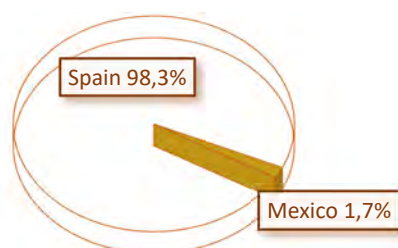
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Turnover	123.5	49.8	148.0%
EBITDA	94.6	31.8	197.2%
<i>EBITDA Margin</i>	<i>76.6%</i>	<i>63.9%</i>	<i>12.7 p.p</i>
EBIT	55.4	12.0	N/A
<i>EBIT margin</i>	<i>44.8%</i>	<i>24.1%</i>	<i>20.8 p.p</i>

The area's revenues were 123.5 million euros this business year, as compared to 49.8 million euros for the first half of the previous business year. This change is mainly due to the contribution of the Cedinsa subgroup, after acquiring control of the majority of its capital in November 2019 and incorporating it since then through full consolidation.

Breakdown of revenue by geographical area			
<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (%)
Spain	121.5	47.5	155.7%
Mexico	2.1	2.3	-11.3%
Total	123.5	49.8	148.0%

By geographical area, almost all of the revenues are concentrated in Spain, revenues totalling 121.5 million euros, 76.5% of which was contributed by the Cedinsa subgroup. The Coatzacoalcos Tunnel concession in Mexico remains practically unchanged compared to the previous business year and its contribution reflects the depreciation effect of the Mexican peso during this period (-12.1%).

Breakdown of revenue by geographical area
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Gross operating income totalled 94.63 million euros, 79.6% corresponding to the Cedinsa concession group.

7.5.2. Financial Debt

<i>(Millions of Euros)</i>	Dec. 20	Dec. 19	Chg. (M€)
<i>Net financial debt without recourse</i>	14.7	751.8	(737.1)

At the end of last December, consolidated net financial debt had suffered a substantial reduction to 14.7 million euros compared to the balance at the end of 2019. This was due to the aforementioned effect from the application of accounting regulations, which after the sale agreement reached by various concessionary companies led to the reclassification of its gross financial debt under the single epigraph of liabilities held for sale amounting to 736.6 million euros.

8. SHARE DATA

8.1. Stock market developments

	Jan. – Dec. 2020	Jan. – Dec. 2019
Closing price (€)*	8,80	10.52
<i>Change in the period</i>	-16.3%	-3.4%
Maximum (€)*	11.96	12.80
Minimum (€)*	7.17	10,36
Average daily trading (nº of shares)	74,593	46,163
Average daily trading (million euro)	0,7	0,5
Capitalisation at end of period (million euro)	3,600	4,127
No. of shares circulating at closure	409,106,618	392,264,826

* Data adjusted for scrip dividend.

8.2. 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. On 24 June, a cash payment of 0.40 euros gross per share was made to those shareholders who requested it. On 2 July, the bonus issue of 16,841,792 shares was registered, bringing the capital stock to 409,106,618 shares, which were listed on 10 July 2020.

8.3. Treasury stock

At 31 December 2020, the FCC Group owned, directly and indirectly, a total of 1,544,773 shares of FCC S.A. (0.378% of the company's capital stock).

Explanatory note

EBITDA

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

BACKLOG

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

As at any given date, the backlog reflects pending production, that is, amounts under contracts or 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 cash equivalents.

9. DISCLAIMER

The interim financial information contained in this document was obtained from the consolidated interim financial statements as at 31 December 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.

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10. CONTACT DETAILS

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