

The individual and consolidated accounts of the company have been approved, as well as the management of the Directors

The Shareholders Meeting approves a dividend of 147 million euros in 2019

- 133.7 million euros have been distributed to accounts and now 13.7 million will be added as complementary
- The individual result of the public company in 2019 was 242 million euros, 15 % more than the previous year
- The fiscal year was characterised by financial stability in a year marked by a lack of rainfall
- The Strategic Plan, in its second year of implementation, achieved an average fulfilment of 95 %

29JUN2020 – The Annual General Shareholders Meeting of Canal de Isabel II approved today the individual and consolidated accounts for the 2019 fiscal year, the management of the Directors, the application of profits and the appointment of Jaime Sánchez, Director General of Sustainability and Climate Change of the Autonomous Community of Madrid, as a proprietary director of the company.

The last fiscal year was characterised by an increase in water consumption compared to the year before, which was much wetter, by the freezing of tariffs and by the continuity of the discounts to the most needy groups. All of these factors have influenced the figures in the individual and consolidated accounts.

Thus, individual business turnover reached 887 million, up 3.85 %, while EBITDA stood at 346.4 million, up 2.45 % on the previous fiscal year. The results of the individual accounts was 241.9 million Euros, a 15 % increase compared to 2018.

The company's net financial debt stands at 467.5 million euros: this figure has fallen by more than 52 % (515.2 million euros) since 2015, when it amounted to 974.7 million euros, so that the debt ratio (DFN/EBIDTA) stands at 1.35, much lower than the usual average for the sector in which Canal de Isabel II operates.

Regarding the consolidated accounts which include subsidiaries in Spain and Latin America, the turnover amounts to 984.7 million euros, approximately 8.5 % less than in 2018, and the profits stand at 226.7 million euros, 12 % more than a year ago thanks to the full implementation of the efficiency plans within the framework of the Strategic Plan and the improved performance of the group's subsidiaries.

This benefit includes the effects mentioned in the individual profits and the deconsolidation of the shares in Triple A de Barranquilla completed in October 2018, as a result of the temporary loss of control, derived from the precautionary measures ordered in the process of asset forfeiture opened by the Colombian authorities. Canal de Isabel II will take all legal measures within its power against this process, at both national and international level, to safeguard its public equity.

STRATEGIC PLAN: SECOND YEAR OF IMPLEMENTATION WITH 95% AVERAGE COMPLIANCE OF OBJECTIVES

The Chairperson of Canal de Isabel II, Paloma Martín, and the Executive Vice Chairperson, Rafael Prieto, have given an account of the management of the directors and the degree of progress of the Strategic Plan 2018-2030's implementation, receiving the approval of the Shareholders' Meeting.

In 2019, the public company supplied 6.44 million inhabitants, diverted 501.08 hm³ of water and treated 444.25 hm³. Furthermore, it regenerated 131.5 hm³, of which 115 were discharged to rivers, in order to improve its quality, and other 16 reused for irrigating public green spaces, street cleaning and industrial uses. Investments in the expansion and improvement of water supply and sanitation systems totaled 147.4 million euros, while another 125.5 million were allocated to the maintenance of existing infrastructure.

Regarding the balance of the second year of implementation of the Strategic Plan 2018-2030, an average of 95 % of the set objectives were fulfilled.

In line 1 to ensure the supply guarantee, with contributions 39 % below average and consumption increasing due to adverse weather conditions, in 2019 we have achieved the objective of saving consumption equivalent to 173,000 people.

The highlighted actions in line 2 to guarantee water quality have been the largest works tender in the history of the Canal to renew 1,500 kilometres of network in the next 4 years (almost 510 million euros), which will be awarded soon. In line 3, 81.3 % of the company's supply contracts now have an alternative for restoring service in under 12 hours in the event of an incident.

In line 4 to promote environmental quality and energy efficiency, the historical record of electricity production (363.9 million kWh) was broken in 2019 with renewable and highly efficient sources. This represents 77.4 % of total consumption, despite the fact that 2019 has been a dry year.

In line 5, dedicated to the development of cooperation with municipalities, ten municipalities have already signed their SANEA agreements to renew their urban drainage networks, and an investment of 83 million has been committed to this concept.

Moreover, a satisfaction rate of 8.53 out of 10 was achieved within line 6, aimed at reinforcing the commitment and proximity with users and the new Charter of Commitments to customers has been approved. It includes compensation for non-compliance and consumer arbitration.

In line 7 for the guarantee of transparency, good governance and commitment to society, the application of social rates was extended, reaching 250,000 people in 2019, and was extended to widow's pensions. These discounts have also been extended to workers affected by an ERTE (temporary furlough), the self-employed and companies affected by the COVID-19 crisis.

Within the actions contemplated in line 8 for the promotion of talent, commitment and health of workers, Canal has committed to the Dual VET and training its employees. Thus, in 2019, 95 water sector professionals have been trained, and Canal employees have averaged 47 hours of training per year.

R&D&I investment has increased by 74 % compared to 2018, reaching 0.78 % of the company's business turnover. In 2019, the company already has two Centres of Excellence in Research, dedicated to water treatment and urban drainage.

Finally, in line 10, in order to ensure sustainability and efficiency in management, we've managed to bring the ratio of Net Financial Debt to EBITDA to 1.35, well below the target of 1.46 set for 2019. The rate for 2020 was frozen for the fifth consecutive year, at 20 % below the Spanish average, and more than 250 projects are expected to be tendered in 2020 and 2021 for an approximate amount of 1.7 billion euros.

Canal de Isabel II was founded more than 165 years ago to supply water to the city of Madrid. It employs more than 2,800 people working daily to provide a service to more than 6 million people in the region. It is an innovative company, a leader in its sector, and internationally recognised for its management of the integrated water cycle. It is a public company in the share capital of which the public entity Canal de Isabel II is represented with 82.4 % of shares, the City Council of Madrid with 10 % and another 110 Autonomous Community of Madrid city councils with 7.6 %.

Press release