

These will be subject to the approval of the Ordinary General Meeting of Shareholders on 8 May

Canal de Isabel II prepares its individual accounts for 2018 with a profit of 210 million Euros

- This financial year is characterised by the decrease in water consumption, the freezing of tariffs and social aids
- The net debts in the individual accounts fell 38% to 459.4 million Euros
- This ratio has decreased by 515.2 million Euros (52.9%) with respect to the close of the 2015 financial year at 974.7 million
- The Board of Directors has recommended the distribution of a final dividend of 17.3 million in addition to the interim dividend of 113.8 already paid out to shareholders

29MAR19 – The Board of Directors of Canal de Isabel II today unanimously approved the preparation of the individual and consolidated accounts for the 2018 financial year which will be taken for their approval before the Ordinary General Meeting of Shareholders on 8 May.

The individual business figure amounts to 854.1 million, falling 3.57%, as a result of a number of factors including the 4.21% reduction in water consumption with respect to 2017 (the lowest in the last 20 years), the freezing of tariffs and the increase of social aids for users with major economic difficulties. The EBITDA reached 338.2 million with a decrease of 7.5%, mainly due to the increase in wages, in compliance with the agreements reached with social agents and included in the first corporate collective agreement signed in 2016, and of provisions. In addition, Canal de Isabel II has set up a number of measures to reduce the environmental footprint during 2018. These include the commissioning of the sludge dryer at the EDAR Sur, in advance of the application of European environmental legislation, and the full operation of tertiary treatment plants at their waste water treatment plants, which has enabled the discharge of more than 100 hm³ of regenerated water into the Tajo river basin with a quality far higher than that established by law. Both measures have had an economic impact on the results of 4 million Euros. However, they bring undeniable environmental benefits.

The results of the individual accounts is 210 million Euros. The results for 2018 contain non-recurring and extraordinary effects, and in comparable terms, are in line with the results for 2017.

The debt at individual level of Canal de Isabel II was reduced by 38% (293 million) in the 2018 financial year, leaving the net debt at 459.4 million. This figure has fallen almost 53% (515.2 million Euros) since 2015, when it amounted to 974.7 million Euros. Consequently, the debt ratio (Net Financial Debt / EBITDA) of the public company was 1.36, compared to 2.06 at the close of 2017.

In the preparation of the consolidated accounts approved today and which include affiliated companies in Spain and Latin America, the business figure amounts to 1,076.4, approximately 6% less than in 2017, and the profits stand at 201.8 million Euros. This includes the effects mentioned in the individual profits and the deconsolidation of the shares in Triple A de Barranquilla, 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.

SUSTAINABILITY AND EFFICIENCY IN MANAGEMENT

The Board of Directors has also approved the convening of the Ordinary General Meeting of Shareholders for 8 May, at which the executive management and the accounts will be presented for approval. In addition, the agenda will include the distribution of a final dividend of 17.3 million Euros, which comes in addition to the interim dividend of 113.8 million Euros.

Both the reduction of the debt and the distribution of the final dividend come under the line for the guarantee of sustainability and efficiency in management, included in the Strategic Plan 2018-2030.

Canal de Isabel II was founded more than 165 years ago to supply water to the city of Madrid. It employs more than 2500 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 which the share capital is represented by the public body Canal de Isabel II with 82.4% of the shares, the City Council of Madrid with 10% and another 110 city councils from Madrid with 7.6 %.

Press release