

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

The Shareholders Meeting approve a dividend of 131 million euros in 2018

- 113.8 million euros have been distributed to accounts and now 17.3 million will be added as complementary
- The individual profit/loss of the public company last year was 210 million euros
- The fiscal year was characterised by a decrease in water consumption, the freezing of rates and social assistance
- The Strategic Plan, in its first year of implementation, achieved an average fulfilment of 94%

08MAY19 – The Annual General Shareholders Meeting of Canal de Isabel II approved today the individual and consolidated accounts for the 2018 fiscal year, the management of the Directors, the application of profits and modification of the corporate purpose in order to improve the management of the corporate group and standardise its benefits.

The last fiscal year was characterised by a decrease in water consumption, the freezing of rates and the expansion of social assistance. All of these factors have influenced the figures in the individual and consolidated accounts.

Thus, the individual business turnover reached 854.1 million, decreasing 3.57% while EBITDA stood at 338.2 million and fell by 7.5%, mainly due to the increase in salary costs, the result of the agreement with the social partners that led to the signing of the Collective Agreement, and of the different measures adopted to reduce the company's environmental footprint. The profit in the individual accounts stood at 210 million euros and contains non-recurring and extraordinary effects, therefore the comparable perimeter is in line with that of 2017.

The debt was reduced 38% (293 million), the net debt reaching 459.4 million. This figure declined almost 53% (515.2 million euros) since 2015, when it reached 974.7 million euros.

The Net Financial Debt/ EBITDA of the Corporate Group decreased 62% over the past 5 years, being 1.2 in 2018. This rate is 2 and 6 times that in the main European companies of the sector.

Regarding the consolidated accounts, which include subsidiary companies in Spain and Latin America, the business turnover was 1,076.4, 6% less than in 2017, and the profits were 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. Against this process, Canal de Isabel II will exercise the legal measures at its disposal, both nationally and internationally, in order to safeguard its public assets

STRATEGIC PLAN: FIRST YEAR OF IMPLEMENTATION WITH 94% AVERAGE COMPLIANCE OF OBJECTIVES

The Chairman of Canal de Isabel II, Pedro Rollán, and the Executive Vice Chairman, Rafael Prieto, have given an account of the management of the directors and the progress of the Strategic Plan's first year of implementation, receiving the approval of the Shareholders' Meeting.

In 2018, the public company supplied 6.36 million inhabitants, diverted 497.9 hm³ of water and treated 489.2 hm³. Furthermore, it regenerated 125 hm³, of which 113 were discharged to rivers, in order to improve its quality, and other 12 reused for irrigating public green spaces, street cleaning and industrial uses. Investments in the expansion and improvement of water supply and sanitation systems totalled 146.6 million euros, while another 118.3 million were allocated to the maintenance of existing infrastructure.

Regarding the balance of the first year of implementation of the Strategic Plan 2018-2030, an average of 94% of the set objectives were fulfilled.

In line 1 to guarantee the supply, they were able to achieve that the total domestic water consumption in the Autonomous Community of Madrid be 122 litres of water per inhabitant and per day.

The actions highlighted in line 2 in order to guarantee water quality were the renovation of 155 km of pipes within the Network Plan, the installation of 71 automatic monitoring stations and the 3D modelling of a dozen tanks to optimise their operation. Line 3 achieved 97% compliance with the objective of service continuity to all users, 365 days a year.

In line 4, in order to boost environmental quality and energy efficiency, the carbon footprint was reduced by 43% and the valued sludge generated in waste water treatment plants (WWTP) increased by 20%. Furthermore, the installed power for electricity generation increased by 31% after the incorporation of sludge drying from the South WWTP, which has helped break the historical renewable energy production record with 312.2 million kWh produced and a generation percentage of 68% over total consumption. Line 5, dedicated to the development of cooperation with municipalities,

completed the Sanea Plan agreement model with which renewal of sewerage networks in the subscribed municipalities will be facilitated.

Moreover, a satisfaction rate of 8.23 out of 10 and a global image score of 7.49 was achieved within line 6, aimed at reinforcing the commitment and proximity with users. Furthermore, as a part of the Smart Region Plan, the piloting for the tele-reading of metres was finalised.

In line 7 for the guarantee of transparency, good governance and commitment to society, the application of social rates was extended to more than 237,000 people, the Water Observatory model was designed and 57% of the non-mandatory good governance recommendations made by the Spanish National Securities Exchange Commission (CNMV) were implemented.

The Centre for Advanced Water Studies was also launched with the first promotion of Dual VET students, in compliance with one of the actions contemplated in line 8 for the promotion of talent, commitment and health of workers.

In the plans to lead innovation and development collected in line 9, the work of the Centre for Excellence in Sustainable Urban Drainage and a project to use artificial intelligence in order to identify domestic water use were initiated.

Finally, line 10, in order to ensure sustainability and efficiency in management, was able to reduce the debt 33%. The rate for 2019 was frozen for the fourth consecutive year, at 20% below the Spanish average.

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 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