



# RESULTS REPORT

RESULTS FIRST QUARTER  
JANUARY – MARCH 2020





## **DURO FELGUERA**

### **Results Report January – March 2020**

#### **1. Main figures and milestones in the period**

	<b>1Q 2020</b>	<b>1Q 2019</b>
<b>Sales</b>	45,482	83,485
<b>EBITDA</b>	(7,262)	1,507
<b>EBIT</b>	(10,293)	(1,802)
<b>Net profit of parent company</b>	(9,081)	(1,033)
<b>Net debt</b>	(4,711)	(26,244)
<b>Order intake</b>	30,496	33,289
<b>Backlog</b>	422,609	725,335

In thousands of Euros

The state of emergency caused by Coronavirus (COVID-19), which has led to an unprecedented worldwide health crisis, is making itself felt in the macroeconomic environment and in the evolution of global business activity. The Group has designed and implemented an Action and Contingency Protocol in order to protect employees, clients and suppliers and guarantee the same level of efficiency and quality within the Group, thereby minimizing impact. Nevertheless, the Group remains alert to the evolution of the pandemic, which has been so fast all over the world, in order to adapt to any possible changes which might take place in the near future.

As a result of the above, the Group provisioned 10 million Euros from the results of the first quarter of 2020, applying criteria of prudence in the face of uncertainty in the current scenario due to the pandemic. Notwithstanding the above, the Group will continue to reevaluate the effects that Covid-19 could have on the delivery of its projects.

In addition, the results of the first quarter of 2020 show the positive reversion of the temporary accounting adjustment, with no impact on the cash flow, which was made at the end of the previous year in relation to the valuation of the liabilities of the Australian subsidiary DFA, which on 28 February 2020 left the Group's consolidation perimeter as a result of the appointment of a voluntary receiver.



Relevant information after the quarter: on 14 April 2020 Duro Felguera, S.A. reached a unanimous agreement with the workers' representatives to apply a temporary layoff for productive reasons, under Royal Decree Law 8/2020, dated 17 March, concerning urgent and extraordinary measures for facing up to the economic and social impact of COVID-19, in Duro Felguera, S.A. (DFSA), DF Operaciones y Montajes, S.A.U. (DFOM), DF Mompresa, S.A.U. (MOMPRESA), Felguera IHI, S.A.U. (FIHI) and Duro Felguera Oil & Gas, S.A.U.

The layoff will last for six months and will affect 672 employees with a maximum limit of 464 employees per month, and includes an agreement to reduce the salary of members of the Management Committee and other managers by 20% while the layoff lasts.

Ordinary revenue from sales amounted to 45.5 million Euros while the EBITDA for the period was minus 7.3 million Euros.

Order intake for the period reached 30.5 million Euros, while the backlog at the end of the quarter was 423 million Euros.

The treasury position as of the end of March 2020 stood at 91 million Euros and gross debt amounted to 95.8 million Euros.

From the close of FY 2019 to date, bonds and deposits made for third parties have been cancelled or reduced by 70,752,000 Euros, corresponding to the Termocentro, Cogeneración de Aconcagua, Ilo, Puerto Ventanas and other projects.

## 2. P&L Account

P&L account	1Q 2020	1Q 2019
<b>Total net sales</b>	<b>45,482</b>	<b>83,485</b>
<b>EBITDA</b>	<b>(7,262)</b>	<b>1,507</b>
<b>EBIT</b>	<b>(10,293)</b>	<b>(1,802)</b>
Financial result	1,205	(386)
<b>Profit before tax</b>	<b>(9,088)</b>	<b>(2,188)</b>
Tax on earnings	(71)	(350)
<b>FY profit</b>	<b>(9,159)</b>	<b>(2,538)</b>
Minority interests	(78)	(1,505)
<b>Net profit of the parent company</b>	<b>(9,081)</b>	<b>(1,033)</b>

In thousands of Euros



### 3. Consolidated Balance Sheet

Balance Sheet	Mar-2020	Dec-2019
Intangible assets	13,842	14,469
Material assets	36,437	37,187
Investment in assets	27,180	27,327
Investment by equity method	20	20
Long-term financial investment	5,736	5,739
Assets from deferred tax	31,422	30,306
<b>Non-current assets</b>	<b>114,637</b>	<b>115,048</b>
Stock	9,350	9,933
Commercial debtors, other accounts receivable	195,981	233,370
Other current assets	507	499
Cash and other equivalent assets	91,104	122,908
<b>Current Assets</b>	<b>296,942</b>	<b>366,710</b>
<b>TOTAL ASSETS</b>	<b>411,579</b>	<b>481,758</b>
Net worth of parent company	20,297	32,036
Minority interests	(16,129)	(16,451)
<b>Net Worth</b>	<b>4,168</b>	<b>15,585</b>
Long-term provisions	1,235	1,340
Long-term debt	89,759	89,907
Other non-current liabilities	33,954	34,030
<b>Non-current liabilities</b>	<b>124,948</b>	<b>125,277</b>
Short-term provisions	59,659	63,347
Short-term debt	6,056	10,020
Commercial creditors & other accounts payable	207,885	260,408
Other current liabilities	8,863	7,121
<b>Current Liabilities</b>	<b>282,463</b>	<b>340,896</b>
<b>TOTAL NET WORTH AND LIABILITIES</b>	<b>411,579</b>	<b>481,758</b>

In thousands of Euros



### Net Treasury Position

March - 2020	Current	Non-current	TOTAL
Gross financial debt	(6,056)	(89,759)	(95,815)
Cash and equivalent			91,104
Net Treasury Position			(4,711)

In thousands of Euros

#### 4. Significant deeds in the period

- On 7 January 2020 the Company reported the appointment of the new Chief Financial Officer.
- On 30 January 2020 the Company reported the appointment of Valeriano Gómez Sánchez as an independent board member and the resignation of the independent board member Ricardo de Guindos La Torre, effective as of 1 April 2020.
- On 29 February 2020 the Company reported the results for FY 2019.
- On 29 February 2020 the Company provided information about the situation of the Australian subsidiary, stating that it would no longer be providing financial support for it and that it had left the perimeter of consolidation.
- On 20 March the Company reported the favourable sentence by the National Court, which upheld the whole appeal made by the Company, determining that the decision taken by the Economic and Administrative Court (TEAC) was illegal in that it rejected the application to suspend the debt deriving from the Inspection on Corporate Tax for FY 2010 to 2012.
- On 1 April the Company reported changes in the composition of the Board of Directors Committees, as the resignation presented by the independent board member Ricardo de Guindos became effective.
- On 15 April the Company reported the agreement reached with workers' representatives for a temporary layoff.
- On 17 April the Company reported the appointment of Rosa Isabel Aza Conejo as Chairwoman of the Board of Directors after the resignation of Acacio F. Rodríguez García, and the appointment by co-optation of Jordi Sevilla Segura as an independent board member. As a consequence of these decisions, information was also provided as to the composition of the Board Committees.

Furthermore, the appointment of Rafael Bermejo González as the new Chief Financial Officer was announced.



- On 14 May, in relation to the Jebel Ali project, the Company reported the notification that the bonds had been called on by the client Dubai Electricity & Water Authority, pointing out that based on the information in the hands of the Company, no material impact is expected from the outcome of this contingency on its assets or financial situation.

## **5. Limited Responsibilities**

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