



# RESULTS REPORT

RESULTS FIRST SIX MONTHS  
JANUARY – JUNE 2021



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## **DURO FELGUERA**

### **Results Report January – June 2021**

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

	<b>1H 2021</b>	<b>1H 2020 (*)</b>
<b>Sales</b>	40,005	70,805
<b>EBITDA</b>	(13,024)	(102,884)
<b>EBIT</b>	(13,786)	(111,091)
<b>Net profit of parent company</b>	(11,133)	(113,887)
<b>Net debt</b>	(96,177)	(23,046)
<b>Order Intake</b>	22,144	52,377
<b>Backlog</b>	234,216	360,351

In thousands of Euros

(\*) Figures for comparison

The first half of 2021 was defined by progress in vaccination programmes and public support policies to facilitate recovery from the crisis, which has allowed, with a certain delay, a progressive recuperation of economic activity and mobility, although in a very unequal manner in the different countries.

Duro Felguera's activity in the first six months of the year was still affected by Covid-19, generating delays in the delivery of some of the projects in the backlog due to restrictions on the mobility of people and the supply of materials, both its own and those of its subcontractors, thereby slowing down the pace of the planned delivery. In addition, delays in the completion of the financial restructuring process and in the full disbursement of the temporary public financial aid from the Solvency Support Fund for Strategic Companies (FASEE in Spanish), making it impossible to put up bonds, caused delays in the order intake planned for the first half of the year, which in turn affected the level of activity. However, the Company expects the situation to improve in the second half of 2021, and forecasts a positive evolution in sales and EBITDA, once the financial aid from the FASEE is completed; this will enable it to maintain the same order intake target set for FY 2021.

The global financial restructuring under the terms set out in the feasibility plan, which is expected to be completed very soon, will enable the Company to rebalance its equity and financial position. Based on its experience and strengths in the traditional segments and boosting its progress in the renewables and digitization sectors, Duro Felguera will continue to be a strategic company in the regional productive fabric.



We could highlight the following significant milestones:

- Reactivation of the Djelfa project in Algeria, a key project in the current backlog, after several months of blockage; it has a favourable present and good expectations in terms of costs, claims management and project management.
- With regard to other aspects of management, favourable progress has been made in the management of litigation with clients, with favourable expectations of positive resolution of cases pending for some time now, in order to obtain good results in the coming months.
- Commercial expectations are optimistic in a growing market of opportunities. The reactivation of the post-Covid economy, the high liquidity in the market and the support of European and international funds, are all allowing industrial projects to be boosted in many parts of the world. Duro Felguera has excellent references in different sectors which, together with the future provisions of the bond line, will allow the Company to take advantage of this market dynamism in a positive way. Significant progress is currently being made for future contracting in the backlog.

Sales for the period amounted to 40 million Euros, 43.5% less than in 1H 2020, because of the Covid effect, the accumulated delay in order intake and the completion of old projects.

The resulting EBITDA was minus 13 million Euros, compared to minus 102.9 million in the same period the previous year, evidencing the impact of Covid.

The net attributable profit was minus 11.1 million Euros, compared to minus 113.9 million in the first half of 2020.

Order intake for the first half of the year amounted to 22.1 million Euros, 58% lower than the order intake for the same period in 2020, due to Covid and the non-availability of the bond line.

The order backlog at the end of the first half of the year amounted to 234.2 million Euros, 91% of which is for international projects.

The Group's average number of employees went from 1,173 employees as of 31 December 2020 to 1,115 employees as of 30 June 2021.



## 2. P&L Account

<b>P&amp;L Account</b>	<b>1H 2021</b>	<b>1H 2020 (*)</b>
<b>Total net sales</b>	<b>40,005</b>	<b>70,805</b>
<b>EBITDA</b>	<b>(13,024)</b>	<b>(102,884)</b>
<b>EBIT</b>	<b>(13,786)</b>	<b>(111,091)</b>
Financial result	(1,063)	(1,824)
Participation in (loss)/profit of affiliates	(191)	(147)
<b>Profit before tax</b>	<b>(15,040)</b>	<b>(113,062)</b>
Tax on earnings	404	(568)
Results from projects interrupted	3,536	-
<b>FY profit</b>	<b>(11,100)</b>	<b>(114,048)</b>
Minority interests	34	(161)
<b>Net profit of the parent company</b>	<b>(11,134)</b>	<b>(113,887)</b>

In thousands of Euros

(\*) Figures for comparison



### 3. Consolidated Balance Sheet

Balance Sheet	June-2021	Dec-2020
Intangible assets	6,380	30,738
Material assets	29,206	22,233
Investment in assets	22,292	11,718
Rights of use on leased assets	248	835
Investment by equity method	20	20
Long-term financial investment	8,198	5,428
<b>Non-Current Assets</b>	<b>66,344</b>	<b>71,002</b>
Stock	6,056	6,710
Commercial debtors, other accounts receivable	97,783	103,925
Other current assets	36,330	39,940
Cash and other equivalent assets	39,240	24,896
<b>Current Assets</b>	<b>179,409</b>	<b>175,471</b>
<b>TOTAL ASSETS</b>	<b>245,753</b>	<b>246,473</b>
Net worth of parent company	(160,160)	(147,274)
Minority interests	511	477
<b>Net Worth</b>	<b>(159,649)</b>	<b>(146,797)</b>
<b>Deferred income</b>	<b>3,462</b>	<b>3,578</b>
Long-term provisions	6,273	5,196
Long-term debt	43,386	3,770
Other non-current liabilities	2,230	1,388
<b>Non-current liabilities</b>	<b>51,889</b>	<b>10,354</b>
Short-term provisions	95,080	97,249
Short-term debt	93,221	91,553
Commercial creditors & other accounts payable	156,682	184,226
Other current liabilities	5,068	6,310
<b>Current Liabilities</b>	<b>350,051</b>	<b>379,338</b>
<b>TOTAL NET WORTH AND LIABILITIES</b>	<b>245,753</b>	<b>246,473</b>

In thousands of Euros



### Net Treasury Position

June - 2021	Current	Non-current	TOTAL
Gross financial debt	(93,221)	(43,386)	(136,607)
Cash and equivalent			40,430
Net Treasury Position			(96,177)

In thousands of Euros

### 4. Inside information and other significant information in the period

- On 7 January 2021 the Company announced the implementation of a new Temporary Layoff Plan.
- On 1 February 2021 the Company reported the results for the third quarter of FY 2020.
- On 22 February 2021 the Company reported additional information in relation to the application for temporary public aid from the Solvency Support Fund for Strategic Enterprises (FASEE), announcing the resumption of the deadline for the decision thereon.
- On 28 February 2021 the Company reported the results for FY 2020.
- On 3 March 2021, the Company announced the FASEE Management Board's agreement to submit the approval of the "Temporary Public Financial Aid Agreement" and "Management Agreement with the Company" documents to the management bodies of the companies receiving aid, as a condition precedent to the approval of the request for temporary public aid.
- On 8 March 2021, the Company reported the approval by the Board of Directors of the documents mentioned in the previous point.
- On 9 March 2021, the Company reported that the Cabinet Meeting had authorized the Management Board of the Solvency Support Fund for Strategic Companies (FASEE) to approve the request for temporary public aid for a total amount of one hundred and twenty million Euros (€ 120,000,000).
- On 16 March 2021, the Company announced amendments to the Internal Rules of the Board of Directors.
- On 22 March 2021 the Company reported the operating and implementation conditions of the temporary public financial aid.
- On 31 March 2021 the Company reported the extension of the deadline for meeting the limit for the fulfilment of the conditions for the closure of the first phase of the temporary public aid until 30 April.
- On 9 April 2021, the Company reported, in relation to the Iernut project that Duro Felguera is carrying out in consortium with S.C. Romelectro S.A., that

the client S.N.G.N. ROMGAZ S.A. had notified the termination of the project, and the consortium had filed a lawsuit against such termination. It was also reported that Romgaz and the Consortium had formalized an agreement whereby they suspended their respective legal actions for 15 days, in order to reach an amicable solution that would allow for the continuation of the project.

- On 16 April 2021, the Company delivered the Annual Corporate Governance Report. On the same date, it reported the definitive financial statements for FY 2020.
- On 24 April 2021, in relation to the Iernut project, the extension of the suspension of legal proceedings for an additional 15 days was notified.
- On 1 May 2021, the Company announced changes in the composition of the Board of Directors, due to the appointment of Mr. César Hernández Blanco and Mr. Miguel Ángel Santiago Mesa as new external board members, Mr. José Jaime Argüelles Álvarez as CEO, and the removal of Mr. José María Orihuela Uzal as CEO.
- On the same date, the company announced the signing of a binding agreement regulating the main terms and conditions for the restructuring of its financial debt, and the granting of a new line of bonds with the financial institutions that make up the banking syndicate.
- In addition, on the same date, the fulfilment of the conditions for the completion of the first phase of the temporary public aid was notified.
- On 2 May 2021, the company delivered the Annual Report on board members' remuneration for FY 2020.
- On 8 May 2021, in relation to the Iernut project, the extension of the suspension of the legal proceedings for an additional 15 days was reported.
- On 10 May 2021, the Company announced the receipt of 40 million Euros from the first phase of the temporary public aid.
- On 22 May 2021, the Company announced, in relation to the Iernut project, the extension of the suspension of legal proceedings for an additional 15 days.
- On 28 May 2021, notice was given of the convening of the 2021 Annual General Shareholders' Meeting.
- On 20 June 2021, in relation to the Iernut Project, it was reported that the client had terminated the agreement whereby the effects of the notice of termination of the contract had been suspended; the termination of the contract as notified on 2 April thus became final.
- On 29 June 2021, notice was given of the extension of the deadline established for compliance with the conditions for the completion of the second phase of the temporary public aid granted to the Duro Felguera Group until 30 September 2021.



- On 30 June 2021, the Company announced the resolutions adopted at the Annual General Meeting held on this date, together with the speeches by the Chairman of the Board of Directors and the Chief Executive Officer.
- On 10 September, the Company announced amendments to the General Meeting Regulations and the Articles of Association.
- On 23 September 2021, the Company reported the favourable ruling of the National High Court in relation to the request for suspension of the debt deriving from the Corporate Income Tax Inspection for FY 2010 to 2012.
- On 28 September 2021, the Company informed of the extension of the deadline established for the fulfilment of the conditions for the completion of the second phase of the temporary public aid granted to the Duro Felguera Group for a maximum period of two months.

## **5. Limited Responsibilities**

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