

Rating Report

Acciona, S.A.

Morningstar DBRS

September 17, 2024

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Credit Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Acciona, S.A.	Issuer Rating	BBB (low)	Downgraded	Stable
Acciona, S.A.	Short-Term Issuer Rating	R-2 (low)	Downgraded	Stable
Acciona Financiación Filiales, S.A.	Euro Medium Term Notes	BBB (low)	Downgraded	Stable

Credit Ratings Drivers

Positive Credit Rating Drivers

Morningstar DBRS considers a positive rating action in the medium term to be unlikely.

Negative Credit Rating Drivers

Morningstar DBRS could take a negative rating action as a consequence of (1) significant delays in executing the asset rotation plan at Acciona Energía to partly mitigate the significant weakening of its balance sheet, (2) considerable project delays and cost overruns associated with developments under construction in the energy and/or infrastructure business, (3) heightened regulatory risk, or (4) a decline in credit metrics to below the Morningstar DBRS' required levels for the current rating, for example with a cash flow-to-net debt below 10.0% and net debt-to-capital above 42.0% on a sustained basis and without the implementation of financial remedies.

Credit Rating Update

DBRS Ratings GmbH (Morningstar DBRS) downgraded the Issuer Rating and the Short-Term Issuer Rating on Acciona, S.A. (Acciona or the Group) to BBB (low) from BBB and to R-2 (low) from R-2 (middle), respectively. Morningstar DBRS also downgraded the credit rating on Acciona Financiación Filiales, S.A.'s (AFF's) existing Euro Medium Term Notes (EMTN) programme to BBB (low) from BBB. The trend on all credit ratings is Stable.

Key Credit Rating Considerations

The credit rating downgrades reflect the negative rating action on Acciona Energía from BBB (high) to BBB as a consequence of the increasing financial leverage expected for the next three years, in an environment of lower energy prices coupled with the ambitious growth plan the Group is developing for a few years now to increase the installed capacity in its Energy Division. In addition, the equity commitments in the Group's Infrastructure Division to enhance the concessional activity will add some pressure to the credit metrics.

Acciona's credit ratings are largely based on Corporación Acciona Energías Renovables' (Acciona Energía's) credit ratings and on a rating assessment of Acciona's Infrastructure Division adjusted for structural subordination, leverage at the non-energy business level. Over the forecast horizon to 2026,

excluding the Group's noncore activities, the EBITDA contribution from Acciona Energía is expected to decrease to around 60% while the Infrastructure Division is expected to comprise around 40% of total EBITDA.

The Stable trend on Acciona's credit ratings reflects the recurrent cash flow generated by the regulated electricity generation and power purchase agreements (PPAs)/hedges for nonregulated assets; the limited merchant exposure in the energy business; the increasing cash flow expected from the Infrastructure Division, supported by a strong backlog; and the active management of Acciona Energía, which is working on several projects to control the rising debt, showing a strong commitment to keep the investment-grade rating.

The credit rating considers Morningstar DBRS' view that: (1) Acciona retains a 83.774% ownership in Acciona Energía and is committed not to lower its stake to below 70%, (2) Acciona continues to benefit from substantial EBITDA and cash flow contributions from Acciona Energía; (3) the credit quality of the Group's infrastructure division, although it is considered as investment grade, is weaker than the Group's regulated and nonregulated generation businesses and limits the Group's ratings, however, Morningstar DBRS expects the increasing investment in concessional assets to support the infrastructure earnings in the future and partially mitigates the construction risk; (4) the credit metrics at Acciona will deteriorate as a consequence of the rising level of debt but will support the BBB (low) credit ratings; (5) Acciona's credit ratings are one notch lower than Acciona Energía's credit ratings and reflect structural subordination of Acciona's debt compared with Acciona Energía's debt; and (6) the liquidity position of the Group is considered to be neutral considering the high committed capital expenditure (capex) expected and lower cash flow generation balanced by significant cash on hand, committed credit lines, and access to the debt and equity capital markets.

Earnings Outlook

- Looking ahead, Morningstar DBRS expects Acciona's revenues and EBITDA to slightly increase during the period 2024–26 with the lower energy prices partially offset by the increasing construction activity and by the positive contribution from Nordex.
- Morningstar DBRS notes that the asset rotation strategy developed by Acciona Energía would significantly boost profits over the next four years to partially support the energy growth plan. However, Morningstar DBRS notes there are some execution risks in the divestment of energy assets.

Financial Outlook

- Because of the lower cash flow generation from Acciona Energía and high level of capex for the next three years for both the Energy and Infrastructure Divisions, Morningstar DBRS expects a higher level of debt, with a peak in 2024, that will put pressure on credit metrics over the next years.
- Although Morningstar DBRS considers the asset rotation plan could significantly mitigate the rising debt, there are some concerns about the quick execution of the strategy.
- Cash flow-to-adjusted debt is expected to remain slightly below 15% between 2024 and 2025.
- Adjusted debt-to-capital is expected to stay above 40% during the next three years.

Financial Information

Acciona, S.A.	LTM 30 June	For the year ended 31 December			
	2024	2023	2022	2021	2020
Cash flow-to-net debt (%) ^{2,3}	12.2	19.4	25.8	25.1	21.7
Net debt-to-EBITDA (x) ^{3,4}	5.7	3.4	2.6	3.0	4.3
Adjusted EBITDA gross interest coverage (x) ^{4,5}	3.2	3.9	8.1	6.3	4.5
Adjusted EBIT gross interest coverage (x) ^{5,6}	1.5	2.0	5.5	3.8	2.3
Net debt-to-capital (%) ³	64.2	49.4	46.1	44.7	56.8

1. Morningstar DBRS harmonised its calculation of the key credit metrics with that of Corporación Acciona Energías Renovables, S.A.

2. Operating cash flow, excluding working capital movements.

3. Net debt is calculated as gross debt (including lease adjustments and nonrecourse debt) minus nonoperating cash.

4. EBITDA and EBIT include results from entities accounted with the equity method.

5. Interest expense includes capitalised interests.

Issuer Description

Acciona is a global company that owns and operates three main business lines: (1) Energy, which is carried out through Acciona Energía (83.772% owned) and includes renewable generation assets in Spain and internationally; (2) Infrastructure, which is carried out through Corporación Acciona Infraestructuras, S.L. (CAI; 100% owned) and consists of the construction business, concessions, water, and services; and (3) Other Activities, which are carried out through wholly owned subsidiaries providing services such as asset management, real estate development, and electric mobility. The Other Activities Division also includes the Group's stake in Nordex, which was increased to 47.08% from 40.97%, resulting in its full consolidation from April 2023.

Business Risk Assessment

Strengths

(1) Stable cash flow from regulated generation and assets under long-term contracts

Acciona's business risk profile is partially supported by Acciona Energía's stable cash flows from its regulated generation assets (20.8% of total EBITDA on average for the next three years), located mainly in Spain, and assets operating under PPA/hedges contracts (58% EBITDA). Although the very high generation prices seen in the domestic market during the last several years boosted earnings and cash flow generation, they have accelerated the payback of the regulatory net asset value in Spain. The Group is now focused on new PPAs/hedges to limit the merchant exposure to 20% to 22% of the whole portfolio. The regulated activities over the Acciona Energía's revenues are expected to decrease in the short term, falling to 20% by 2025.

(2) High proportion of nonregulated generation business under long-term contracts and hedges.

For the non-regulated generation, the Group generally operates with PPAs, which have an average duration of approximately 10 years with counterparties of solid credit quality, mostly utilities and governmental organisations in 17 countries. In addition, non-regulated renewable generation output in Spain is also sold under short- and medium-term contracts of between one and three years. All of these contracts with which the Company operates significantly mitigate the risk associated with power-price volatility.

(3) Strong construction, operational, and technical expertise

Acciona is a strong global player in the construction business, particularly in its heavy civil works, and is a leading provider of infrastructure maintenance in concessions and water services. The Group's in-depth technical expertise and experience in the construction of roads, bridges, railways, tunnels, ports, and waterworks provide it with competitive advantages in these high-barrier areas. Over the last 10 years, Acciona has completed more than 5,300 kilometres (km) of roads, 1,140 viaducts, and 600 bridges. It also completed more than 1,700 km of highspeed railway lines and more than 150 km of tunnels as well as more than 50 ports and more than 50 dams in 12 countries.

(4) Substantial infrastructure backlog for growth

The Group benefits from strong cash flow growth prospects with an Infrastructure backlog of approximately EUR 25.3 billion as of June 2024 (+3.2% since December 2023), and it reaches to EUR 33.9 billion when including orders for projects consolidated by the equity method. Key contracts awarded during H1 2024 include the first lot of tunnels for the Suburban Rail Loop East project in Melbourne, Australia, and the Alkimos desalination plant in Perth, Australia, as well as the Ras Laffan 2 desalination plant in Qatar and urban rail stations in Surrey, Canada. The Group also has a number of pre-awarded projects at 30 June 2024 worth a total of EUR 4.1 billion, pending signing of the final contracts.

(5) Increasing concessional business

Acciona is increasing its concessional business, which will provide greater recurrence and stability of cash generation once the asset starts operating. At the end of June 2024, the Group had a total equity investment of EUR 659 million in 79 assets. Of the total Infrastructure backlog, more than EUR 7.5 billion is related to concessional assets with equity commitments of more than EUR 1,0 billion between 2024 and 2032.

(6) Good geographic and technical diversification

Acciona's operations are well diversified in terms of geography and businesses. Through Acciona Energía, the Group operates as a pure-play leader in the renewable energy sector with a fully integrated business model and high level of diversification across geographies, regulations, and technologies, which include onshore wind, solar photovoltaic (PV), hydraulic, concentrated solar power, biomass, and storage. The Group's Infrastructure Division mainly includes activities in construction, water, and concessions (roads, rail, ports, and hospitals) worldwide. Acciona's Other Activities Division includes asset management/brokerage, electric mobility (motorbike sharing and manufacturing of motorbikes and nanocars), and property development.

In terms of geographical diversification, the Group operates worldwide. Most of Acciona Energía's assets are located in the European Union and Organisation for Economic Cooperation and Development countries with low to modest political risk. Acciona Energía's generating assets are well diversified geographically and regulatorily, which reduces the risk associated with any single jurisdiction or region. Future expansion in the 2024–27 period will be largely in Australia, the U.S., and Canada.

Challenges

(1) Capex intensity and project development risk

Expected capex remains at a high level for 2024, reaching around EUR 2.8 billion, of which around EUR 1.7 billion will be contributed to achieve the growth plan in the Energy Division and EUR 1.1 billion will be for invested on the concessional business. Considering the lower energy-price environment and lower cash-flow generation, the Group is currently developing several strategies, such as asset rotation, to protect the level of debt and liquidity and to keep the investment-grade rating.

(2) Asset rotation strategy

Morningstar DBRS expects the Company to complete around EUR 4.0 billion of asset rotation over the next four years. Among the main assets to be sold, there are some wind and hydraulic assets located in Spain and, to a lesser extent, some photovoltaic assets. Morningstar DBRS appreciates the high competitiveness in the Spanish renewable asset market, with several players executing the same divestment strategy. As a consequence, Acciona Energía could suffer some delays in the execution or could be forced to sell at a lower price than expected, affecting its financial leverage over the next few years as it invests heavily to support its growth plan and lower expected cash flow generation.

(3) Operational risk

Despite a strong track record, Acciona Energía develops complex projects that are subject to operational risks, such as unplanned outages and operational disruptions. Projects are mainly related to wind energy and the operational risks would negatively affect its credit metrics.

(4) Currency and interest risk

Because of the Group's international operations, a significant part of its revenues is generated outside the euro and U.S. dollar currency markets, potentially leading to currency fluctuation risks. Furthermore, around 50% of the Group's total debt is floating rate, which, as seen in 2023, could significantly affect its interest expenses in a rising interest-rate environment. Acciona Energía partially mitigates these risks by hedging currencies and interest rates but they could still have a bearing on its operations.

Financial Risk Assessment

- Overall, results for 2023 reflect the progressive normalization of energy prices, especially in Spain, where they were still higher than pre-energy crisis expectation. This impact was partially mitigated by hedging, production from newly commissioned assets, and growth in the results reported by the International market.
- Revenues rose to EUR 17,021 million at the end of 2023 thanks to the strong performance in the Infrastructure Division, which saw revenue grow by 28% to EUR 7,723 million.
- However, EBITDA fell by 4.2% to EUR 1,981 million as a result of the sharp fall in the generation business in Spain (-41.1%).
- EBT stood at EUR 819 million, a 5.8% drop versus F2022, while net profits grew by 22.6% to EUR 541 million as these results included the change in the Group's consolidation method that was applied to Nordex and the acquisition of control of Renomar, which owns 494 megawatts (MW) of wind farms in

Spain and was fully consolidated on 1 May 2023. These first two consolidations generated aggregate gains of EUR 405 million in F2023.

- Cashflow from operations decreased to EUR 1,332 million reflecting higher tax payments and interest expenses.
- Capex reached EUR 3,327 million in 2023 (EUR 2,004 million in 2022). This capex included EUR 2,321 million invested in the Energy Division, EUR 267 million invested in Infrastructure, EUR 376 million in Nordex (comprising a EUR 275 million loan granted by Acciona, which was subsequently capitalized, and EUR 101 million of own funds invested by Nordex), EUR 158 million in the Other Activities Division, and EUR 205 million in real estate inventories.
- Net financial debt totalled EUR 6,551 million at the end of 2023 compared with the EUR 5,253 million in 2022. This increment was mainly driven by the major capex investments made in 2023.
- Financial performance in the last 12 months (LTM) ended 30 June 2024 reflects the strong results in the Infrastructure Division, thanks to the higher quality of the backlog, and in Nordex, which showed a turnaround trend with positive results. However, results in the Energy Division were affected by the more normalized energy prices in the Spanish market and low wind resource. Revenues, EBITDA, and EBIT for the LTM reached EUR 18,736 million, EUR 2,047 million, and EUR 962 million, respectively. However, EBT showed a steep drop to EUR 332 million as, in addition to the increasing interest expenses, the Group registered EUR 402 million in the first semester of 2023 related to the change in the consolidation method applied to Nordex and Renomar.

Application of Multiples Methodologies

Acciona's credit ratings are largely based on Acciona Energía's ratings and on a credit rating assessment of Acciona's Infrastructure Division, adjusted for structural subordination, and leverage at the non-energy business level. Over the forecast horizon to 2026, excluding the Group's noncore activities, the EBITDA contribution from Acciona Energía is expected to decrease to around 60% while the Infrastructure Division is expected to contribute around 40% of total EBITDA. As a result of the material sizes and contributions from the various business lines, Morningstar DBRS ultimately applied the following two main methodologies to assess Acciona: (1) *Global Methodology for Rating Companies in the Regulated Utility and Independent Power Producer Industries* and (2) *Global Methodology for Rating Companies in the Construction and Property Development Industry*.

Environmental, Social and Governance Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*		
Environmental		Overall:	N	N
Emissions, Effluents, and Waste	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	N		N
Carbon and GHG Costs	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	N		N
Resource and Energy Management	Does the scarcity of sourcing key resources hinder the production or operations of the issuer, resulting in lower productivity and therefore revenues?	N		N
Land Impact and Biodiversity	Is there a financial risk to the issuer for failing to effectively manage land conversion, rehabilitation, land impact, or biodiversity activities?	N		N
Climate and Weather Risks	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact? In the long term, will the issuer's or client's business activities and infrastructure be materially affected financially under key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	N		N
Social		Overall:	N	N
Social Impact of Products and Services	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	N		N
Human Capital and Human Rights	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	N		N
	Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	N		N
	Human Capital and Human Rights	N		N
Product Governance	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N		N
Data Privacy and Security	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	N		N
Occupational Health and Safety	Would the failure to address workplace hazards have a negative financial impact on the issuer?	N		N
Community Relations	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N		N
Access to Basic Services	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N		N
Governance		Overall:	N	N
Bribery, Corruption, and Political Risks	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N		N
	Are there any political risks that could affect the issuer's financial position or its reputation?	N		N
	Bribery, Corruption, and Political Risks	N		N
Business Ethics	Do general professional ethics pose a financial or reputational risk to the issuer?	N		N
Corporate / Transaction Governance	Does the issuer's corporate structure allow for appropriate board and audit independence?	N		N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N		N
	Does the board and/or management have a formal framework to assess climate-related financial risks to the issuer?	N		N
	Corporate / Transaction Governance	N		N
Consolidated ESG Criteria Output:		N		N

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

The Environmental factor does not affect the credit ratings or trend assigned to Acciona. In its Energy Division, Acciona's portfolio comprises only renewable generation assets. The positive effect of the carbon tax credit considered in previous years has been removed as its impact is expected to be moderate in the upcoming years and does not positively affect the credit metrics. For the Infrastructure and Other Activities Divisions, no impact is expected to affect the credit rating.

Social

The Social factor does not affect the credit ratings or trend assigned to Acciona. Health and Safety responsibilities are integrated at all levels of Acciona and failure to properly follow safety protocol could lead the Company being exposed to fines and lawsuits. This risk is mitigated by the Audit and Sustainability Committee, which is responsible for supervising compliance with the Group's Human Resources and Occupational Risk Prevention Policy through its principles and establishes the care and continuous improvement of the occupational health and safety of the Group's own employees, as well as those of collaborating companies.

Governance

The Governance factor does not affect the credit ratings or trend assigned to Acciona. The Group is a listed company on the Spanish stock exchanges and complies with the recommendations set out in the Good Governance Code of Listed Companies of the Spanish National Securities Market Commission and the best national and international practices on this subject. Acciona is governed by a board of directors, which includes six independent directors. The committees held by the board are firmly committed to promoting good governance and social and environmental sustainability, ensuring the creation of value for all of its stakeholders.

Rating History

Rating	Debt	Current	2023	2022	2021
Acciona, S.A.	Issuer Rating	BBB (low)	BBB	BBB	BBB
Acciona, S.A.	Short-Term Issuer Rating	R-2 (low)	R-2 (middle)	R-2 (middle)	R-2 (middle)
Acciona Financiación Filiales, S.A.	Euro Medium Term Notes ¹	BBB (low)	BBB	BBB	BBB

¹ The EMTN programme is fully guaranteed by Acciona S.A.

Previous Report

Acciona, S.A.: Rating Report, 27 September 2023.

Related Report

Corporación Acciona Energías Renovables S.A.: Rating Report, 17 September 2024.

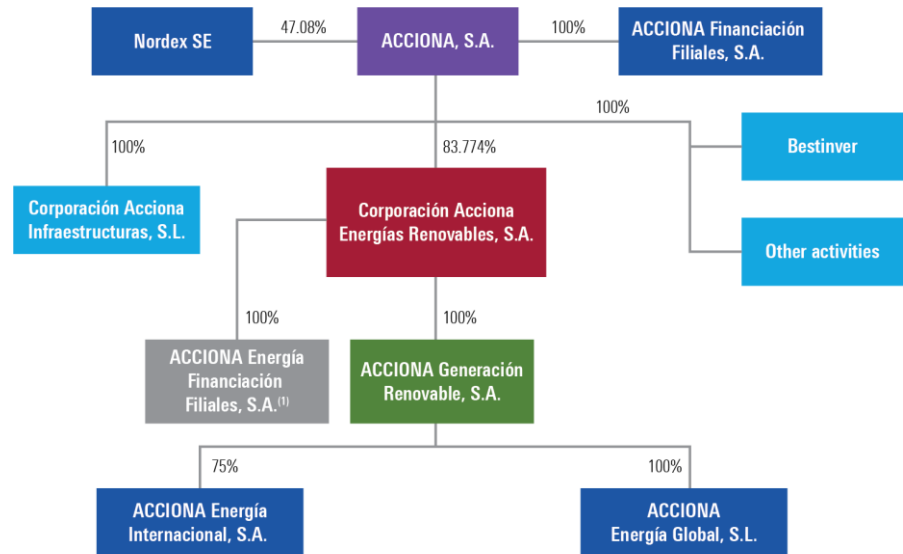
Notes:

All figures are in Euros unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on dbrs.morningstar.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

Appendix I: Organizational Chart



Source: Acciona, Morningstar DBRS.

AFF is the Group's main financing vehicle and borrower of a EUR 800 million syndicated loan facility, as well as the issuer of an up to EUR 3.0 billion EMTN programme (increased from up to EUR 2.0 billion in 2022) and an up to EUR 1.5 billion Euro Commercial Paper (ECP) programme (increased from up to EUR 1.0 billion in 2022). In 2024, AFF also issued USD 261 million and EUR 83 million of USPP. Acciona unconditionally and irrevocably guarantees all AFF debt. Acciona Energía Financiación Filiales S.A. (AEFF) was created separately to support Acciona Energía's initial public offering (IPO) and is Acciona Energía's main financing vehicle. Apart from continuing to operate through its EUR 2.5 billion syndicated loan facility, its up to EUR 3.0 billion EMTN programme, and an up to EUR 2.0 billion ECP programme, AFF signed several financial agreements in 2022, including its first U.S. Private Placement (USPP) for USD 200 million and a EUR 450 million ESG credit line along with three EUR 500 million bonds under the EMTN programme. In addition, in line with the increasing activity in Australia, AEFF, through its Australian subsidiaries, signed a EUR 400 million green syndicated loan with a three-year term and an AUD 1,098 million green loan with a term of approximately 16 years, backed by CESCE under its new green policy, to build the MacIntyre wind farm (MacIntyre) in Queensland, Australia. Following the IPO, Acciona Energía operates independently from its parent company from a financial point of view. Acciona Energía unconditionally and irrevocably guarantees all AEFF debt. All debt issued by Acciona and AFF will be nonrecourse to Acciona Energía and its subsidiaries and, similarly, all debt issued by AEFF will be nonrecourse to Acciona and AFF.

Appendix II: Operational Figures at the End of June 2024

Energy Business

- Total installed capacity stood at 13,944 MW at the end of June 2024, up about 1.7 GW over the past 12 months.
- Consolidated installed capacity reached 12,329 MW considering the payment received from MacIntyre, which reduced by 30% the MWs constructed to date at that facility.
- Around 1.7 gigawatts (GW) of capacity are under construction, mainly in Australia (MacIntyre and Aldoga), Spain (Ayora and Logrosán), the Dominican Republic (Cotoperí), Canada (Forty Mile), India (Juna), Croatia (Boraja), and the Philippines (Kalayaan).
- Total output grew by 7.7% to 13,441 gigawatt hours (GWh) (24,894 GWh at the end of 2023) while consolidated production went up by 14.0% to reach 11,945 GWh (21,433 GWh at the end of 2023) thanks to the contribution from new assets commissioned during the year and strong hydro output, partially offset by widespread low wind resource and high curtailments, with around 5% of the potential production for the period curtailed because of low prices.
- The total average price obtained by the Group in the domestic market for H1 2024 was EUR 64.4/MWh compared with EUR 112.2/MWh in the same period last year as a consequence of the steep fall in the average pool price to just EUR 39.1/MWh in H1 2024 versus EUR 88.3/MWh in H1 2023.
- The international average price stood at EUR 61.1/MWh, pretty similar to the previous year (EUR 61.9/MWh), as higher unit income in Chile and higher prices in Australia offset falls in the U.S. (because of the higher share of PV), Mexico (positive capacity payments resettlement), and the Rest of Europe.

Infrastructure Business

- Acciona's Infrastructure Division includes Construction, Concessions, Water, Industrial, and Services. The Group has more than 100 years of experience in the entire value chain of infrastructure projects, and it has developed the global expertise and capacity to adapt to and manage risks associated with complex projects. Future growth prospects remain good over the medium term.
- As at 30 June 2024, the backlog for construction, industrial, and water was approximately EUR 25.3 billion. The last projects awarded include the first lot of tunnels for the Suburban Rail Loop East project in Melbourne, a desalination plant in Perth, the Ras Laffan 2 desalination plant in Qatar and urban rail stations in Surrey. In addition, the Group has pre-awarded projects for EUR 4,082 million.
- The Group's strategy includes an increase in its concessional activity, which will provide greater recurrence and stability in cash generation once the asset starts operating. At the end of June 2024, the Group had a total equity investment of EUR 659 million in 79 assets. More than EUR 7.5 billion of the total backlog is related to concessional assets with equity commitments of EUR 1.1 billion to be invested between 2024 and 2032.

Nordex

- Acciona participates with a 47.08% stake in Nordex, a company which supplies wind turbines for clean power generation.
- At the end of June 2024, Nordex reported revenues of EUR 3,434 million, EBITDA at EUR 118 million, and EBITDA margin of 3.4%.
- The order intake in H1 2024 totalled 3,357 MW.

Bestinver

- Through Bestinver, Acciona offers financial asset management solutions—investment funds, pension funds, and institutional mandates. Bestinver had assets under management amounting to EUR 6.5 billion at the end of June 2024.

Property Development

- Acciona's Property Development business is one of the leading residential property development and management companies in Spain. The Group delivered 165 residential units during H1 2024 and, according to the delivery schedule for the year, the majority of new homes will be handed over in H2 2024 to total around 1,200 units.
- The gross asset value of Acciona's property portfolio was EUR 1,865 million at 30 June 2024, 3.3% more than at 31 December 2023.

Appendix III: Regulation

Regulated Generation Assets in Spain and Spanish Regulatory Regime

- Under the electricity sector reform that the Spanish government introduced during the 2012–14 period, the regulatory tariff system was replaced with a new remuneration model in 2013 (Law 24/2013 of the Energy Sector). Under this regulatory regime, regulated generation asset owners (such as Acciona Energía) are entitled to earn a reasonable return on their capital investments, which is based on the average yield of the 10-year Spanish government bond plus a spread. The Royal Decree-Law 9/2013 set this rate at the rate of return of Spanish 10-year government bonds plus 300 basis points. After a reduction in returns on capital investments from the tariff system in 2013, the first regulatory period from 2014 through 2019 provided a relatively stable framework for regulated generation assets.
- Following the six-year regulatory period that ended in 2019, the new six-year regulatory period (2020–25) does not present any material changes from a credit perspective. Under the Royal Decree-Law 17/2019, Acciona Energía's regulated rate of return (RROR) for renewable energy is reasonable at 7.09% through 2025. In addition, the Royal Decree-Law 17/2019 allows Acciona Energía the option to maintain its RROR of 7.398% for the next two regulatory periods from 2020 through 2031, which provides strong visibility of earnings and cash flow for Acciona Energía's regulated generation assets in Spain. However, Morningstar DBRS also notes that the Spanish government has launched a series of initiatives aimed at reducing the average electricity bill for consumers (e.g., a gas clawback), including changes to the current Spanish regulatory regime, thus increasing the regulatory risk perception.
- Every three years, there is a review to make adjustments for revenues that are either more or less than the regulated revenues. In order to tackle the economic and social impact of the Russia/Ukraine conflict, an extraordinary review was applied from 1 January 2022. The following 2023–2025 period remains unchanged. The review also adjusts regulated revenues to take into account any change in the power price expectations. This adjustment is to ensure that a standard facility will recover its investment costs (operating and capital) that cannot be recovered through electricity sales in the market. Acciona Energía is assured of earning at least the floor-protected power price and a fair return on its capital investment.
- Volume risk is very low because revenues are based on regulated output that the regulator designated for each standard facility in the year that the facility is commissioned. The mechanism for price adjustment is based on regulated output and the difference between the regulated caps and floors and the actual prices. Deficits from previous years are recovered by tariffs set by the system administration for each type of market participation. Excess earnings (or earnings shortfalls) will be recorded as a regulatory liability or as a regulatory capital asset, which can be added to regulatory capital every three years to be recovered over the remaining useful life of the asset.

Nonregulated Generation in Spain (Short-Term Contracts/Hedges and PPA agreements)

- Power generation from nonregulated renewable generation assets in Spain is exposed to power price volatility. However, Acciona Energía mitigates this risk with short-term hedges and long-term PPA agreements. Most counterparties are corporate clients and large industrial customers and standard bilateral PPAs have terms of up to 10 years.

International Generation Assets

- International generation assets are usually covered by long-term PPAs or regulatory feed-in-tariff contracts. The average remaining duration of long-term contracts is approximately nine years. Although these assets are subject to volume and operational risk, long-term contracts significantly reduce risk associated with power price volatility. The remaining portion of the output is generally sold under short-term contracts and hedges with only a small portion of power output sold into the spot market.
- Long-term contracted international renewable generation assets are expected to continue to grow over the medium term, further diversifying the Company's generation portfolio from a geographical perspective. Counterparties are generally utilities, governmental organisations, and large commercial and industrial customers.

Appendix IV: Financial History

Acciona, S.A. (EUR millions)	LTM 30 June		For the year ended 31 December			
	LTM	2023	2022	2021	2020	2019
Revenue	19,615	17,967	12,211	8,667	7,271	7,875
EBITDA	2,047	1,981	2,068	1,483	1,133	1,437
EBIT	962	1,038	1,417	896	576	852
Gross interest expense	636	514	256	235	254	265
EBT	332	819	869	575	517	545
Net Income	190	541	441	332	387	352

1 Operating cash flow excluding working capital movements.

2 Net debt is calculated as gross debt (including lease adjustments and nonrecourse debt) minus nonoperating cash.

3 EBITDA and EBIT include results from entities accounted with the equity method.

Acciona, S.A. (EUR millions)	LTM 30 June		For the year ended 31 December			
	2024	2023	2022	2021	2020	
(EUR million when applicable)						
Net Income as Reported	190	541	441	332	387	
Depreciation And Amortization	1,740	1,094	848	587	557	
Other Operating Items	-500	-303	105	209	117	
Cash Flow from Operations	1,430	1,332	1,394	1,128	1,061	
Capital Expenditures	-2,723	-2,894	-2,195	-948	-906	
Common Dividends	-313	-325	-253	-223	-116	
Free Cash Flow (Before Changes in Working Capital)	-1,606	-1,887	-1,054	-281	40	
Changes in Working Capital	165	225	135	-340	193	
Free Cash Flow	-1,441	-1,662	-919	-622	233	
Net Acquisitions and Investments	121	-176	291	-115	418	
Increase in Debt	4,183	4,434	4,021	4,107	2,280	
Decrease in Debt	-2,033	-1,393	-3,186	-4,631	-2,181	
Other	-168	295	-45	1,261	-491	
Change in cash	502	1,354	42	-89	259	

Balance Sheet – Acciona, S.A.

(EUR millions)	31 Dec.	31 Dec.	31 Dec.		31 Dec.	31 Dec.	31 Dec.
Assets	2023	2022	2021	Liabilities & Equity	2023	2022	2021
Cash & Cash Equivalents	3,477	4,324	2,675	Short-Term Borrowings	2,262	2,143	1,764
Accounts Receivable	4,944	4,405	3,340	Accounts Payable	6,761	6,958	3,889
Inventories	2,958	3,067	1,386	Other Current Liabilities	2,741	2,658	2,171
Other Current Assets	2,165	1,486	789				
Total Current Assets	13,544	13,282	8,190	Total Current Liabilities	11,764	11,759	7,824
Fixed Assets	12,176	11,655	9,485	Long-term debt	9,443	8,732	6,164
Goodwill & Intangibles	3,734	3,760	1,342	Non-Current & Deferred Tax Liabilities	1,369	1,326	890
Investments	19	23	168	Other Non-Current Liabilities	3,620	2,982	1,413
Other Non-Current Assets	3,241	2,930	3,410	Total Shareholders' Equity	6,518	6,851	6,304
Total Assets	32,714	31,650	22,595	Total Liabilities & Shareholders' Equity	32,714	31,650	22,595

Appendix V: Debt Profile and Liquidity

- Debt maturities for the financial year are limited to the outstanding balance of commercial paper which currently amounts to about EUR 300 million.
- The average cost of financing in Q1 2024 was 4.86% (average cost of 4.28% for corporate debt and 8.60% for project financing). The share of floating-rate debt is close to 50%, which will allow the Group to benefit from the shift in central banks' monetary policies expected in H2 2024.
- High diversification of financing sources among banks, commercial paper programs, and the USPP and EMTN Programmes.
- Available liquidity: EUR 2,144 million at the end of June 2024 considering cash and available committed facilities.

Debt and Liquidity Profile

(EUR millions)	LTM 30 June		Year ended 31 December		
	2024	2023	2022	2021	2020
Capital Structure					
Short-term bank borrowings	782	805	553	280	711
Long-term bank borrowings	4,360	3,809	2,624	2,073	3,985
Short-term CP, debentures, and bonds	1,352	1,214	1,139	1,666	1,276
Long-term CP, debentures, and bonds	4,402	4,236	3,101	2,364	886
Short-term lease obligations	128	124	72	68	74
Long-term lease obligations	682	687	439	430	420
Gross Debt	11,706	10,875	7,928	6,881	7,353
Cash and cash equivalents	-3,477	-4,324	-2,675	-2,536	-2,620
Operating cash	150	150	150	150	150
Net Debt	8,379	6,701	5,402	4,494	4,883
Total Equity	6,518	6,851	6,304	5,557	3,711

Maturity Profile

As at 30 June 2024 (EUR millions)	2024	2025	2026	2027	2028	>2028
Bank Borrowing	759	1250	712	827	732	5,445
Bonds	1,169	520	211	704	107	8,130
TOTAL	1,928	1,770	923	1,531	839	1,928

¹ Does not include lease obligations.

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