

## Lantania increases its portfolio of work in progress by 30% to €350 million

- Revenues increased by 20% to €120 million, with new contracts rising by 36% this year
- The group's water division has increased its turnover fivefold following the purchase of DEISA IWS and Soil Tratamiento de Aguas Industriales

**Madrid, 25th November 2020.** Lantania is strengthening its project and development plans with a 30% increase in its portfolio of work in progress to €350 million this year. Today, the president of the infrastructure, water and energy group, Federico Ávila, took stock of 2020, "a year in which we have continued our growth and consolidation process. In which, despite the unexpected appearance of Covid-19 in March and its impact on our activity, we met the objective set in the budget".

During these 12 months, the company has acquired three companies, Soil Tratamiento de Aguas Industriales, DEISA Industrial Water Solutions and Traviesas y Prefabricados de Aragón, and has begun its international development and set up a new group structure, with the creation of Lantania Aguas and Lantania Activos. As a complement to the construction activity, the company has launched the development of a portfolio of wind projects that will start in Galicia. The company is working in this autonomous community on the development of 250 megawatts (MW) of which 150 MW are already in the administrative process and whose investment will amount to €146 million.

In line with forecasts, Lantania will reach revenues of €120 million in 2020, which will be an increase of almost 20% compared to 2019. A result in which the strong growth of the Water business stands out, with revenues increasing more than fivefold, rising from 2% of the company's total turnover in 2019 to 10% this year, thanks to the contribution of Soil Aguas and DEISA IWS. The group's gross operating profit (ebitda) will fall from €11 million last year to €10 million as a result of the impact of Covid-19 on some of the projects.

The new order book will exceed €150 million, a 36% increase. 45% of these new contracts come from the private sector while the remaining 55% correspond to the public sector, of which 30% come from central government division, 18% from the regional government and 7% from local corporations. The weight of the Water and Conservation and Services areas in new orders is growing, now representing 30% of new orders compared to 5% in 2019. As a result of internal growth and acquisitions, the company has increased its workforce by 64% this year to 560 employees, including direct and indirect jobs (subsidiaries and joint ventures).

The work to be executed reaches €350 million, which is almost three times the annual turnover. "A figure that gives an idea of the stability and predictability of our income for the coming years,"

says the president of the company. The new projects include preventive and corrective maintenance and auxiliary works for the electrification installations in the eastern zone for Adif, the conservation of the runways at the Adolfo Suárez Madrid-Barajas airport and the development of the Espigón Central of the Port of Bilbao, among others.

### **New corporate operations**

Lantania maintains its growth strategy through corporate operations and entry into new business areas. In addition to the acquisition of Grupo Velasco in 2019 and the setting up of a joint venture with Gestilar, this year the company acquired Soil Tratamiento de Aguas Industriales and Traviesas y Prefabricados de Aragón, and the more recent DEISA IWS. This company, established in 1993 and owned until now by the COMSA Corporación group, focuses its activity on the treatment of input and process water for industrial use, drinking water, urban and industrial wastewater, as well as on the regeneration and reuse of water resources.

With this acquisition, Lantania incorporates more than 100 recurrent customers to whom DEISA IWS provides technical assistance, chemical products and spare parts sales. The company works in both the public and private sectors and is present in Algeria, where it has been operating for more than 15 years in the agri-food, pharmaceutical and energy sectors. DEISA IWS will be integrated into the Water Division of the Lantania Group and will operate independently, maintaining its current headquarters in Barcelona.

This operation complements the purchase of Soil Tratamiento de Aguas Industriales last May. As Ávila explains, "the acquisition of Soil and DEISA IWS, now integrated into Lantania Aguas, has allowed us to enter with a leading position in the industrial water sector and increase our added value, complementing our capabilities in water treatment processes".

In addition, the acquisition of Traviesas y Prefabricados de Aragón has led to the incorporation into the group of the activities of the prestressed concrete sleeper factory that the company owns in Zaragoza. "This is a backward integration in the value chain, incorporating into our processes the manufacture of a critical element in a strategic sector for the company such as the railway sector," says Ávila.

### **International presence**

This year, Lantania started its international development plan with the signing of its first contract outside our borders and the incorporation of the foreign businesses of Soil Tratamiento de Aguas Industriales and DEISA IWS. The company will carry out the modernisation of two railway lines in Bulgaria, Plovdiv-Krumovo and Plovdiv-Skutare, worth €67.7 million. The project, in consortium with local company Geostroy, has been recognised by the Bulgarian National Railway Infrastructure Company (NRIC), ADIF's counterpart in the Balkan country.

In turn, the purchase of Soil Tratamiento de Aguas Industriales led to the integration of the company's subsidiaries in Colombia and Morocco. The company has a subsidiary in the South American country with more than a decade of experience, while in Morocco it is present through Soil Maroc, a three-year-old subsidiary, which is a leading water treatment provider of the OCP (Office Chérifien des Phosphates). They are now joined by DEISA IWS's Algerian business.

## **New corporate structure**

The company has formed a new group structure with the creation of Lantania Aguas and Lantania Activos, companies that are added to Lantania SA itself and Traviesas y Prefabricados de Aragón, all of which form the Lantania Group. The company has also set up a new organisational structure around two business areas: the Infrastructure and Building area, which focuses on civil engineering and building projects, led by José Alberto Carrasco, and an area called Industrial Services, which brings together the Water, Energy and Conservation and Services divisions, led by Luis Manuel Corrales.

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