

Lantania tops €300 million in revenues for the 2022 financial year

- Turnover up 23% to €312 million and new contracts up 60% for a total of €442 million
- 35% average annual revenue growth (CAGR) since inception in 2018

Madrid, 29 June 2023. Lantania reinforces its leadership position as a benchmark in the development of large transport, water and energy infrastructures after growing revenues by 23% and its contracts awarded by 60%. The Group recorded a turnover of €312 million last year against the €254 million in the previous financial year. New contracts reached €442 million in 2022 with major deals including the Palma wastewater treatment plant expansion, Line 3 of the Seville metro and the AVE high-speed train connection to Barajas Airport's T4 terminal.

The growth in the backlog portfolio was 28% from 2021 to 2022. At year-end, the company had €690 million worth of projects in the pipeline. "The 2022 financial year was certainly extremely challenging for the sector, given that the conflict in Ukraine accelerated a crisis that had started in the post-Covid era, with a widespread rise in the price of raw materials. This price escalation, together with other factors like labour inflation and the rise in interest rates, had a major impact on the construction sector", says Lantania's CEO, Federico Ávila. "Despite all these difficulties, our balance sheet is positive and we have managed to strengthen our position, underpinned by a development model based on sustainability, the creation of new businesses and inorganic growth".

The Group's fastest growing business division is Energy, which now accounts for 22% of revenues. Lantania is building three large solar farms with a capacity of over 270 MWp and continues to develop its own portfolio, with 30 new proprietary projects (180 MWp), in addition to the 250 MW of wind power developments. Moreover, last year the company launched a self-supply division which now manages six projects with a total of 6,854 kWp, with outstanding projects including the construction of the largest photovoltaic solar plant for self-supply in the Port of Valencia.

Infrastructures and Water account for a similar share of the company's business, 36% and 35% respectively. The Water division is one of Lantania's commitments to the future, as demonstrated by the recent commissioning of the Jubail 3A wastewater treatment plant (600,000 m³/day) in Saudi Arabia, one of the largest wastewater treatment plants in the world to operate partially on renewable energy, a project executed for the utility Saudi Water Partnership Company (SWPC). The company works intensively on desalination projects and is strongly committed to efficient water management. It has just signed an agreement with the Seville-based company Oga to use artificial intelligence to create innovative solutions for optimising industrial processes in the end-to-end water cycle.

Innovation and business creation is one of the most important driving forces behind the company's growth. Within its strategic operations, Lantania seeks market niches where it can stand out by offering a unique added value. Evidence of this is last year's creation of Indania, a company specialising in industrial civil works, and the company's recent entry into Crowmie, the crowdfunding platform that tokenises renewable energy projects. The company is currently engaged in new developments, including the possible hybridisation of its portfolio of renewable energy projects through the inclusion of batteries.

Inorganic growth is the third of the Group's development vectors. "We are continuously evaluating market opportunities, focusing on companies that specialise in integrated water cycle management, sustainable transport and renewable energies". Lantania has earmarked €14 million for this type of investment over the next four years in its strategic plan. These will be added to the 2022 acquisitions of Balzola Polska and DSV Constructora e Inmobiliaria.

2023 forecast

The company has sustained its positive growth so far this year. It reported a turnover of €124 million in the first five months of 2023, 19% more than in the same period of 2022. Meanwhile, order intake continues to grow at the same rate as last year, up 60% from January to May to stand at €307 million. The forecast for the current year is to reach revenues of €360 million (+15.3%), in line with the 2022-2026 Strategic Plan. New order intake is expected to reach €500 million (+13%).

"Although everything points to a moderation of prices in recent months, the effects of the rise of these last two years are still having an impact on our projects, particularly considering that the projects we execute last more than 12 months on average, and that the absence of a general price review system in public works contracts has a significant impact on profitability and on our relationships with our clients", says Lantania's CEO.

Balzola's strong performance so far this year is particularly noteworthy. The company has closed contracts worth \$30 million in the first five months of the year, including the renovation of the emblematic Defilad Square in Warsaw and the expansion of road no. 48 in the city of Kozenice. The Group's Polish subsidiary anticipates a turnover of €48 million this year, almost doubling the figure for 2022 (€26.9 million).

Lantania's evolution

Lantania's performance since it launched in 2018 has been outstanding. The Compound Annual Growth Rate (CAGR) of the Group's revenues is 35%. The company kicked off its first year with a turnover of €59 million as compared to the €360 million that it will close with this year. Meanwhile, EBITDA has grown by an accumulated percentage of 11%. The company opened its doors with a workforce of 97 employees and today has more than 1,000 employees spread across the Group's seven companies: Lantania, Lantania Aguas, Traviesas y Prefabricados de Aragón (Tyspa), DSV, Balzola Polska, Indania and Gestilar Construcciones.

After entering the Portuguese, Chilean and Slovakian markets in 2022, the Group now operates in a total of 11 countries. In addition to Spain, it operates in Colombia, the United States, Saudi

Arabia, Algeria, Morocco, Poland, Portugal, Chile, Slovakia and Bulgaria, and 37% of the company's revenues come from the international market. "We see clear opportunities in the rail sector in Europe and North America, while the major water developments are happening in the Middle East and North Africa", says Ávila.

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